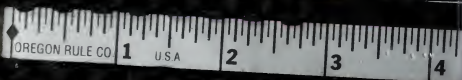
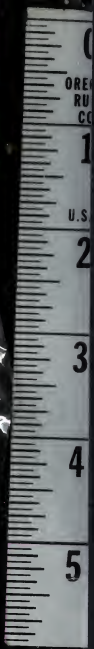


CITY AND COUNTY OF SAN FRANCISCO

PURCHASER'S AND CONTROLLER'S  
PROCUREMENT AND FISCAL GUIDE



CITY AND COUNTY OF SAN FRANCISCO

PURCHASER'S AND CONTROLLER'S  
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October 1, 1966

TO ALL DEPARTMENT HEADS

SUBJECT-PROCUREMENT AND FISCAL GUIDE-CITY AND COUNTY OF SAN FRANCISCO

PREFACE

This guide was prepared by the Controller with the cooperation and approval of the Purchaser of Supplies. It supersedes, consolidates and expands the Procurement Procedure issued by the Purchaser and Controller dated September 30, 1938, with its subsequent supplements.

The prior manual was limited to departmental performances in purchasing, receiving, recording and reporting of materials, supplies, equipment and contractual services through:

- (a)-Purchasing Orders issued by the Purchaser of Supplies; and
- (b)-Revolving Fund expenditures subject to the Purchaser's Approval.

The Charter and other law authorizes certain officers, department heads, boards or commissions to contract for the procurement of specified commodities or services or both, for city and county departments. The general classification of items to be procured for city and county departments and the departments which normally contract for such purchases are summarized hereunder:

ITEMS TO BE PROCURED	NORMAL CONTRACTING OFFICERS OR DEPARTMENTS
Materials and Supplies	Purchaser of Supplies
Contractual Services	" " "
Equipment	" " "
Articles or Things of Unusual Character & Expert Temporary Services	Purchaser of Supplies, and Various Departments
Public Works & Improvements	Department of Public Works, Public Utilities Commission & Various Departments
Purchase, Lease of Real Property	Director of Property
Fixed Charges	Purchaser of Supplies & Various Departments

The above types of items should be purchased or obtained in accordance with applicable procurement and fiscal procedures as described in this guide. The available procurement procedures and pertinent supporting schedules are summarized in the guide index which follows.

All procurement encumbrance and payment documents are subject to audit and approval by the Controller pursuant to established law. Questions regarding procurement procedures or forms may be referred to the Purchasing Department or Controller's General Office for clarification.

Use of this guide does not relieve boards and commissions, department heads and their subordinates from their duties and responsibilities conferred and imposed by law.

*J. F. Conway*  
PURCHASER OF SUPPLIES  
*N. B. Cooper*  
CONTROLLER

PROCUREMENT AND FISCAL GUIDE  
CITY AND COUNTY OF SAN FRANCISCO  
INDEX

<u>PAGES</u>		<u>PROCUREMENT PROCEDURES:</u>
1 - 2		PURCHASE ORDER (Also-see Schedule "D" for detailed procedures)
3 - 4		REVOLVING FUND
	5	ENCUMBRANCE REQUESTS (Form F-362)
5 -		CENTRAL SHOPS, STOREROOMS, WAREHOUSES AND SERVICE DIVISIONS
7 - 8		INTER-DEPARTMENTAL SERVICES
9 - 10		ORDERS FOR SERVICE OR WORK (Service Orders)
11 -		FORMAL CONTRACT PROCEDURE
13 - 14		REQUESTS FOR WARRANT (Form F-364-Direct Expenditures)
15 - 16		TRANSFERS-EXCHANGES-SALES
		<u>PERTINENT SUPPORTING SCHEDULES:</u>
17 - 25		SCHEDULE "A"-OTHER SUBJECTS PERTINENT TO PROCUREMENT PROCEDURES: 17-Authority; 17-Emergency Procurements; 18-Appropriations and Allotments; 19-Planning of Purchasing; 20-Invoices-Bills-Vouchers; 21-Equipment; 22-Things of Unusual Character or Expert and Professional Services; 23-Insurance Program; 24-Offsets-Amounts Owed City and County; 24-25-Claims Against City and County;
27 - 30		SCHEDULE "B"-INDEX TO PERTINENT PROVISIONS OF THE CHARTER;
31 - 41		SCHEDULE "C"-INDEX TO PERTINENT PROVISIONS OF THE ADMINISTRATIVE CODE;
43 - 47		SCHEDULE "D"-PURCHASE ORDERS-DETAILED PROCEDURES: 43-44-Requisitions; 44-Bids and Awards; 45-Distribution of Copies of Purchase Orders; 45-46-Requisitioning Department's Performances; 46-Material Received Report (M.R.R.); 47-48-Discounts;
49 - 50		SCHEDULE "E"-CENTRAL SHOPS, STOREROOMS, WAREHOUSES AND SERVICE DIVISIONS;
51 - 71		SCHEDULE "F"-ADMINISTRATIVE CODE PROVISIONS: 51-64 CONTRACT PROCEDURE, AND 65-71 PURCHASING PROCEDURE

## PROCUREMENT PROCEDURE

### PURCHASE ORDER PROCEDURE:

Charter Section 88 directs the Purchaser of Supplies to purchase all materials, supplies, and equipment of every kind and nature, and to enter into agreements for all contractual services required by the several departments and offices of the city and county. Exceptions to this general mandate are set forth:

".....Purchases of books, magazines and periodicals for the library departments, works of art for museums and other articles or things of unusual character as to the purchasing thereof, may, on the recommendation of a department head and the approval of the purchaser, be purchased directly by said department head."

Purchasing procedures are described in Charter Sections 88, 88.1, 89 and 95. Pursuant to Charter Sections 88.2 and 99, purchasing and related contract procedures have also been established by ordinance, and codified in the Administrative Code, in Chapter 21-Purchasing Procedure and Chapter 6-Contract Procedure, as detailed in Schedule "F".

Materials, supplies, equipment and contractual services are purchased by the Purchaser of Supplies by the issuance of Purchase Orders, in accordance with procedures detailed in Schedule "D", summarized as follows:

1. Requisitions for Purchase Orders, addressed to the Purchaser of Supplies, are submitted by the department (Charter Sections 20 and 89).
2. Bids are solicited by the Purchaser of Supplies on the basis of requisitions (Charter Section 88).
3. Awards to the lowest eligible bidder are made by the Purchaser of Supplies (Charter Section 88).
4. Purchase Orders are prepared by the Purchaser of Supplies; audited and certified as to availability of funds by the Controller (Charter Section 86); and issued to vendors by the Purchaser.

After an award is made, the Purchasing Department may issue one of three types of purchase orders as follows:

1. Regular Purchase Order:  
Which may be issued in favor of a vendor to cover a single order, specifying a definite quantity and amount; or a "blanket" order for materials, supplies or services which may be required on short notice. "Blanket" orders are ordinarily drawn for estimated monthly requirements.
2. Contract Acceptance (Purchase Order):  
For formal bids, advertised and expected to exceed amounts prescribed (Charter Sections 88 and 95), or as subsequently amended.
3. Term Purchase Orders:  
For purchases of materials, supplies or contractual services regularly required, during a stated period (quarter, semi-annual, annual, etc.), in favor of one or "various" vendors to be specified by the Purchaser. Encumbrances are usually reduced periodically, in amounts approved by the Purchasing Department, as shown on invoices supported by material received reports and delivery tags signed by receiving departments. The Term Purchase Order is closed with the final payment when the remaining balance is liquidated.  
(The Encumbrance Request - Form 362 is used temporarily as a Term Purchase Order.)

PURCHASE ORDER PROCEDURE (continued):

The procedures to be followed by the various departments in processing of purchase orders are explained in detail in Schedule "D" of this manual. Those procedures include:

1. Distribution of copies of purchase orders.
2. Performance by requisitioning departments.
3. Filing of copies of purchase orders.
4. Discounts.
5. Lost documents.

Emergency purchases of materials, supplies, contractual services or equipment may be made in the manner prescribed in the Administrative Code (Section 21.25-Purchasing Procedure), as quoted in Schedule "F".

Deliveries should not be accepted nor services rendered before the vendor receives his copy of the purchase order approved by the Purchaser of Supplies and certified by the Controller as to the availability of funds (Charter Section 86).

Charter Section 89 reads in part:

"The purchaser of supplies shall approve all bills or vouchers for materials, supplies, equipment, and contractual services before the controller shall draw and approve warrants therefor."



REVOLVING FUNDS:

Pursuant to Charter Section 75, the Board of Supervisors, on the recommendation of the Mayor, has established various revolving funds, classified as follows:

1. Departmental revolving funds, as enumerated in the Administrative Code, Sections 10.125 through 10.167, which authorizes and continues existing funds.

Reimbursements for expenditures will be allowed only to cover those recommended and approved in accordance with Controller's Instructions No. 505 of February 23, 1962, which reads:

"Expenditures may be made from departmental cash revolving funds for such classes of transactions as may be in writing recommended by the department head, approved by the Chief Administrative Officer, Board or Commission, if any, and specifically concurred in by the Controller."

2. Other departmental revolving funds for certain trust funds, School Department, or for special purposes as described in ordinances or resolutions establishing said funds.
3. Purchaser's Revolving Fund as provided in Sections 21.28 of the Administrative Code, and reading in part:

"The purchaser of supplies, with the approval of the chief administrative officer and the controller, may maintain such amounts in cash and in banks and advance such amounts to departments not having revolving funds as may be necessary to facilitate petty purchase transactions and for the payment of small purchases and for which warrants may not be conveniently drawn on the treasurer."

Procurements from the above revolving funds are governed by rules and regulations established by the Purchaser of Supplies, approved by the Chief Administrative Officer and Controller; generally stated as follows:

1. Before expending from a revolving fund, departments shall determine that funds are available in the appropriation chargeable for the payment (Charter Section 86).
2. Expenditures shall be within the purposes and monetary limits prescribed in rules and regulations dated March 8, 1963, by the Purchaser of Supplies, and approved by the Chief Administrative Officer and Controller; or as may thereafter be amended.
3. Reimbursement requests shall be made on Controller's Form F-318, Revolving Fund Voucher, supported with proper bills and vouchers (Charter Sections 85 and 89); certified by the department head or his authorized representatives; and submitted to the Purchaser of Supplies for approval of expenditures.
4. Reimbursement requests shall be submitted for settlement and audit by the Controller, at least monthly (Charter Sections 66 and 75); and prior to the 10th day of the following month. Upon receipt, the Controller will:
  - a. Issue warrant for the amount of the claim;
  - b. Thereafter, audit the detail of the claim; and
  - c. Adjust disallowed items or other errors on future claims.
5. The following types of expenditures shall not be made from revolving funds: bond fund charges; equipment (O.E. 400); travel advances (O.E. 206); and charges in excess of revolving fund limits.

REVOLVING FUNDS (continued):

6. The Controller's Budget Division maintains detailed controls and approves all charges against the following types of contractual service expenditures:

- a. O.E. 203 - Allowance for the use of employees' cars (monthly or mileage basis);
- b. O.E. 213 - Maintenance and repair of buildings;
- c. O.E. 223 - Reconstruction and replacements.

Note: All charges against O.E.'s 203, 213, and 223 should be carefully scrutinized and charged to proper appropriations.

Revolving fund rules and regulations previously approved by the Public Utilities Commission and the Controller, covering purposes of expenditure for the several departments under the Public Utilities Commission, or as may hereafter be revised, will be deemed in compliance with this guide.

ENCUMBRANCE REQUEST (FORM F-362):

An Encumbrance Request may be submitted to obtain Controller's prior certification as to availability of funds (Charter Section 86) to authorize expenditures for which other encumbrance documents are not practical nor applicable.

Pursuant to Charter Sections 20, 88 and 89, the purchase of equipment, materials, supplies, and (certain) contractual services shall be by written purchase orders issued by the Purchases of Supplies, based upon written requisitions submitted by departments, as outlined under the subject of Purchase Order Procedure.

The Encumbrance Request form has been used experimentally by the Purchaser of Supplies as a temporary Term Purchase Order, in lieu of issuing a series of blanket monthly purchase orders for a specified period under term contracts or proposals. The new Purchaser's Term Purchase Order will replace Encumbrance Request forms used for such purpose.

In general, the Encumbrance Request should be limited to authorize furnishing of services not requiring Purchaser's approval. (Procurements which may be legally contracted for by a department other than the Purchaser of Supplies such as rentals of real property arranged by the Director of Property.)

Generally, Encumbrance Requests are prepared by a requisitioning department in triplicate and routed to the Controller's General Office. The Controller's Office audits and certifies three copies, and returns two to the requisitioning department: one for the vendor and the other to be retained.

Suppliers should be instructed to send invoices to the receiving departments. Each related Payment Request and Material Received Report (Form F-363) shall be certified by the department head to the effect that the quantity, quality and prices are in conformity with the specifications. Related invoices and supporting vouchers must be properly approved, as provided by law, attached to the approved Payment Request and Material Received Report, and sent to the Controller for audits and payment.

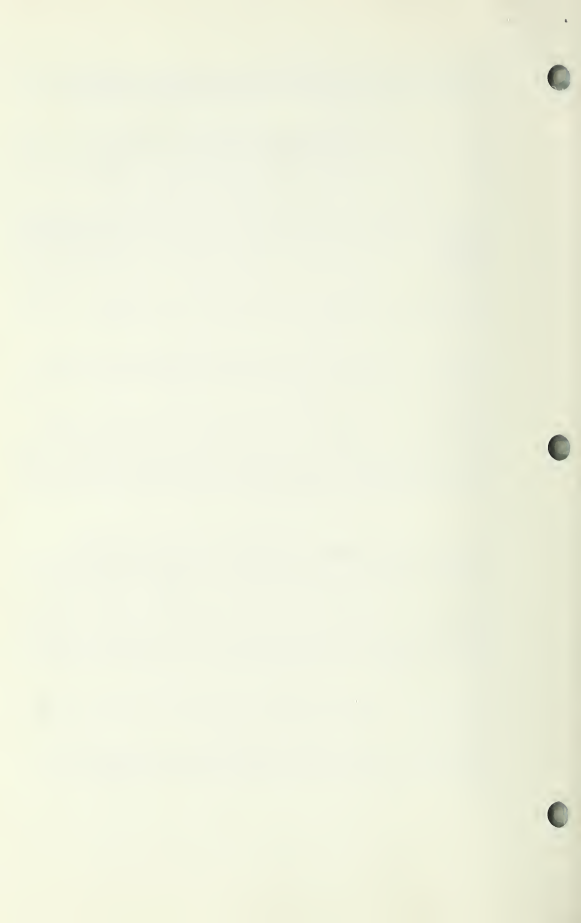
CENTRAL SHOPS, STOREROOMS, WAREHOUSES AND SERVICE DIVISIONS:

City and County departments may procure certain materials, supplies, equipment, parts, etc., from various storerooms, shops, yards, or warehouses maintained by the Purchases of Supplies, as provided by Charter Section 88 and Section 21.2 of the Administrative Code.

Departments may also acquire certain contractual services such as maintenance or repairs to automotive or other equipment, buildings, structures or improvements; or services such as tabulating, reproduction, blueprinting, etc., from shops or by the use of qualified craftsmen employed by the Purchasing or other departments of the City and County.

A list of the available City and County Central Shops, Storerooms, Warehouses, and Service Divisions is included in Schedule "E" of this guide.

Departments in need of any of the materials or services such as those stocked in any of the Central Shops or Storerooms described in Schedule "E" should contact the Purchasing Department or the specific shop concerned for applicable procedural instructions and forms to be used.



#### INTERDEPARTMENTAL WORK OR SERVICES:

Work or services performed by a City and County department for inter- or intra-departmental purposes is subject to charter sections 64 and 77 which read in part:

##### Section 64 - General Powers and Duties of Controller

"....It shall be the duty of the Controller to determine, where practical, the unit cost of work done by the City and County for the purpose of determining whether similar work could be done under public contract at a lower cost. The Controller shall devise adequate systems of internal check of all departments and offices of the City and County relative to the custody, collection or disbursement of money."

##### Section 77 - Transfers

"....The Controller shall prescribe the method to be used in making payments for interdepartmental services."

Interdepartmental Services or work may be procured by one of the following methods:

##### 1. Budget Transfers

Allowance in Requesting Department's appropriation accounts for such purpose are transferred to performing department's appropriation accounts by the Annual Appropriation Ordinance and controlled by Controller's General Ledger Interfund accounts. Settlements based on appropriation expenditures, are made via Cash Transferred and General Ledger entries prepared by the Controller's Accounts and Reports Division. Unused balances are returned to the contributing funds.

##### 2. Work Order (Form - 309)

Allowances are transferred from the requesting department's appropriation to the performing department's appropriation, by means of Controller's Work Order Form #309, which is audited by the Controller's General Office Work Order desk.

Job costs are incurred by performing departments and charged as encumbrances and/or expenditures against the authorized performing appropriation accounts.

Upon completion of a job, the performing department compiles all job costs, including applicable overhead and prepares a departmental invoice, controller's Form #310, from which a cash transfer is made to effect a payment to the performing department. The departmental invoice also is the basis for transferring all expenditures and unused balances from the performing appropriation account to the requisitioning appropriation account.

##### 3. Orders for Service or Work-Controller's Form F-324 (or Service Orders)

Inter - or intra departmental works are performed under authority of this form of encumbrance document, when for legal or accounting purposes it is necessary or advisable to make payments by means of regular warrants in lieu of by cash transfers (work order liquidations.) This form is discussed as a separate procedural subject in this guide.

INTERDEPARTMENTAL WORK OR SERVICE (Cont'd.)

4. Exchange and Transfers - Materials, Supplies, & Equipment  
Exchanges and transfers of materials, supplies or equipment between departments are made through the Purchaser of Supplies, pursuant to Charter Section 88. The procedures and forms incidental thereto are discussed as a separate method of procurement in this report.
5. Revolving fund - (Interdepartmental)  
In a few cases departments may procure certain articles or services from other departments and pay for same through their revolving funds, usually with the Purchaser's approval. For example, Codes, charters, etc. may be purchased from the Purchaser of supplies, or filing fees and jury fees paid by City Attorney to the Municipal or Superior Court.

#### SERVICE ORDER-CONTROLLER'S FORM 324

Form 324 SERVICE ORDER, an encumbrance document, and companion Form 324A-PAYMENT REQUEST & MATERIAL RECEIVED REPORT, are intended to replace Form 324-Order for Service or Work and its invoice copy. Additionally, for certain types of transactions hereinafter described, the new SERVICE ORDER will be used in lieu of Form 362 ENCUMBRANCE REQUEST and its companion Form 363-PAYMENT REQUEST in instances when the procurement is not contracted for by the Purchaser of Supplies.

A SERVICE ORDER is to be initiated by a department legally authorized to act as the contracting agent for the City and County of San Francisco. Subject to the Controller's prior certification as provided in Charter Section 86, it may authorize an independent contractor or qualified City and County department to perform services or work or deliver articles, within general categories as follows:

- 1-Procurements which legally may be contracted for by a department other than the Purchaser of Supplies who usually issues a Purchase Order based upon a requisition for materials, supplies, equipment or contractual services in accordance with Charter Sections 20, 88 and 89.  
(In event of any question as to which department should act as contracting agent, departments should consult with the Purchaser in advance, as provided in Charter Section 88.)
- 2-For Public Works or Improvements of \$5,000 or less, subject to the procedures in Section 6.28 of the Administrative Code; and when it is neither practical, expedient or necessary to use the Formal Contract Procedure.
- 3-When Service or Work is to be performed by another City and County department and it is necessary for legal or budgetary purposes for payment to be made by a warrant to be deposited with the Treasurer, rather than by a cash transfer (a book entry) through the Interdepartmental Work Order Procedure.

The Controller's certification of a SERVICE ORDER is subject to compliance with all applicable fiscal and legal requirements, including but not limited to pertinent provisions of the Charter, the Contract and Purchasing Procedures in Chapters 6 and 21 of the Administrative Code, Civil Service Rules and Regulations, City Attorney's Opinions and Controller's Instructions.

Encumbrance contracts should not be issued to independent contractors to perform services or work included in the classified civil service. These are subject to the payroll procedure and approval of the Civil Service Commission as provided in Charter Sections 73, 141, 142 and 150 and Section 18 of the Administrative Code. A Service Order or other type of contract proposing to engage an independent contractor to perform expert professional temporary service of an unusual or extraordinary nature requiring qualifications highly individualized should be certified to such effect in a so-called "Genius" letter (see sample in Schedule "A"). Additionally, if there appears any doubt as to whether the proposed work or services may be performed by a City and County employee under a position classified by the Civil Service Commission and created by ordinance of the Board of Supervisors, such a contract document should be approved by the Civil Service Commission prior to submission to the Controller.

To avoid misunderstanding during negotiations, it is the duty of the Contracting Department to advise the contractor or vendor in writing that no services or work shall be performed nor articles delivered until after a SERVICE ORDER certified by the Controller has been received.

A SERVICE ORDER may encumber funds in favor of one contractor or vendor for deliveries during a period specified in the agreement, with payments in a lump sum or periodically as services are rendered or deliveries are satisfactorily received.

SERVICE ORDER CONTROLLER'S FORM 324 - Continued

Additionally, a SERVICE ORDER may be used to encumber funds to authorize procurements of a uniform and specified classification of services, work or articles from "VARIOUS" vendors when it is impractical to determine in advance which suppliers will be able to perform services or deliver the specified items at the time required. With reference to such "VARIOUS" vendors, it shall be the responsibility of the head of the contracting department to:

- 1-Designate the limitations of deliveries by each vendor in a departmental order, the form of which shall be approved as to form by the Controller and City Attorney. Such form should contain reference to the specific SERVICE ORDER number which authorizes such deliveries and each vendor shall be instructed to place the applicable SERVICE ORDER number on all invoices submitted for payment.
- 2-Comply strictly with the City and County's Purchasing and Contract Procedure relative to competitive bids.
- 3-Limit the obligations of all orders under one SERVICE ORDER to the total certified thereunder.



#### FORMAL CONTRACT PROCEDURE:

The Formal Contract Procedure is to be distinguished from contracts which may be required in procurements by the Purchaser of Supplies of materials, supplies, contractual services or equipment by "Purchase Order", "Encumbrance Request", or "Service Order" procedures as heretofore outlined.

The Formal Contract Procedure may be used for work or services to be performed by outside contractors contemplated in the Contract Procedure in Chapter 6 of the Administrative Code pursuant to Charter Sections 95 through 100 (See Schedule "F").

Two general types of procurement are made under the Formal Contract Procedure:

1. Public Work or Improvement, including construction, maintenance and repairs; usually contracted for by the Department of Public Works or Public Utilities Commission.
2. Expert professional temporary services of an extraordinary nature requiring qualifications of a highly individualized nature; being non-competitive and exempt from civil service, and which may be legally contracted for by various city and county departments (See Kennedy v. Ross).

Under the Formal Contract Procedure, Controller's Form F-323-Request for allotment and certification of contract with a copy of the contract is submitted by the contracting department to the Controller for audit, certification and encumbrance against the proper appropriation account. Contracts for public works or improvements are generally written with standard specifications and forms of the Department of Public Works or Public Utilities Commission. Form F-323 is designed to include the various requirements, approvals and a built-in audit sheet which should aid contracting departments in understanding and complying with the basic legal and accounting features prior to submission to the Controller.

Modifications of contracts may be authorized in accordance with terms of the original contract and processed on Form F-322 for increases and Form F-322A for decreases. Such modifications must be properly filled out and are subject to a prior field audit and recommendation by the Controller's Utility or General Audit Division; then submitted for further audit and processing by the Controller's General Office, and, if in order, approved by the Controller.

Relative to "Progressive Payments", Charter Section 96 reads:

"Any contract may provide for progressive payments, if the advertisement for sealed proposals shall so specify. No progressive payments under any contract shall be made which, with prior payments, shall at any time exceed in amount ninety per cent of the value of the work and labor and materials furnished, and no contract shall authorize or permit the payment of more than ninety per cent of the total contract price before the completion of the work required by such contract and the acceptance thereof by the head of the department concerned."

The method for making contract payments is governed by the terms of the contract. Progress payments may be made when work is partially completed and accepted (Form F-326) or a lump sum or Final Payment (Form F-327) may be approved after work or services are fully completed, accepted and properly approved.

Any procedural questions in connection with the Formal Contract Procedure may be referred to the Controller's General Office.



REQUEST FOR WARRANT-FORM F-364-DIRECT EXPENDITURES:

Controller's Request for Warrant-Form F-364 may be used to authorize a direct expenditure to pay legal obligations when time or unusual circumstances do not permit nor necessitate the contracting department to first process an encumbrance document to obtain a certification of the Controller that there is a valid appropriation from which an expenditure may be made pursuant to Charter Section 86. Approval of such Request for Warrant are subject to:

- (a)-Availability of funds for the particular purpose;
- (b)-Submission of all required approvals, supporting papers and explanations.

Various types of expenditures which may be processed by Form 364, are enumerated as follows:

1-Separate Political Entities-not Subject to Charter Provisions.

- (a)-Redevelopment Agency.
- (b)-Bay Area Air Pollution Control District.
- (c)-Hunters Point Reclamation District.
- (d)-Economic Opportunity Council (Non-Profit Corporation).

2-Special Funds or Appropriations-Governed by Special Laws.

- (a)-Publicity & Advertising (Approved by CAO-Charter Sec.60);
- (b)-School Cafeteria-Supplies for Cafeteria (Education Code 17052-17053;
- (c)-Public Fund reimbursements (x.167.200.000) Administration Code-Section 16.0.
- (d)-Retirement System Investments, and Workmen's Compensation (Charter Section 158);
- (e)-Various Trust Fund Expenditures (Subject to specific terms of trust).

3-Refunds or Expenditures-Covered by Apprn.Reserves or Deposits.

- (a)-Refunds of fees, licenses ("970" apprns.);
- (b)-Refunds of special deposits ("901" and "999" apprns.);
- (c)-Tax Refunds-(duplicate, erroneous, or illegally collected); ("969" apprns.-approved by Board of Supervisors);
- (d)-Miscellaneous Refunds-General, Other Current or PSE Current; - ("970"-apprns.);
- (e)-Payments to the State for its share of Revenues collected by the City and County of San Francisco;
- (f)-U.S. Savings Bonds (Purchased from Employees' Payroll deductions);
- (g)-Real Property (Subject to approval by Directors of Property, Board of Supervisors, and specific apprn. reserve);
- (h)-Law Library Fees, collected and deposited by County Clerk and Municipal Court (Charter Section 57).

REQUEST FOR WARRANT-FORM F-364-DIRECT EXPENDITURES: (Cont'd.)

4-Court Orders - Judgments - Claims.

- (a)-Court Orders for witness fees, depositions, investigators, notary fees, jurors' meals, etc.
- (b)-Judgment or Compromised Litigation, and incidental court or other costs, interest, and etc. (Audit Form - 03)
- (c)-Claims Payments
  - 1. Non-litigated (Audit Form 0-29)
  - 2. Litigated (Audit Form 0-3)
    - (a) Compromise
    - (b) Judgment

5-Mandatory Taxes, (including penalties or assessments).

- (a)-State - Sales, Use, Fuel, Inheritance;
- (b)-Federal - Withholding, Social Security;
- (c)-Other - Real Property, Personal Property;

6-Obligations and Expenditures Occur Simultaneously.

- (a)-Materials and supplies, and/or contractual service procurements covered by an approved Blanket Encumbrance Request, Controller's Form F-362, for such purposes. (Such an encumbrance is liquidated at the end of the fiscal period).
- (b)-C. O. D. deliveries or where payments or billings are required to be made in advance of delivery:
  - 1. Postage;
  - 2. Printed matter from State Printing, or U. S. Printing Office;
  - 3. Surplus commodities from State (Charter Section 88.1);
  - 4. Dues and Memberships;
  - 5. Subscriptions to certain magazines or periodicals;
- (c)-Reimbursements for Employees field expenses - auto mileage or allowance, car fare, telephone, parking meter, bridge tolls, etc.
- (d)-Travel Advances (subject to procedures per Supervisors' Ordinance).

7-Delayed Invoices Covered by Encumbrance Documents previously Liquidated.

- (a)-Freight or delivery charges billed separately after the related encumbrance document was liquidated by warrant to the vendor;
- (b)-Discounts erroneously deducted or disallowed by vendors, covered by an encumbrance previously paid by warrant;
- (c)-Corrections of names of payees, clerical errors or billings, covered by warrants which previously liquidated related encumbrance documents.

TRANSFERS, EXCHANGES, SALES OF SURPLUS PERSONAL PROPERTY:

Materials, supplies, or equipment which may constitute surplus property or unfit for further economical use in one department, may be valuable or useful in another department. In this connection, Charter Section 88 provides as follows:

"The Purchaser of Supplies shall have authority to exchange used materials, supplies, and equipment to the advantage of the city and county, advertise for bids, and to sell personal property belonging to the city and county on the recommendation of a department head that such articles are unfit for use."

"He shall have authority to require the transfer of surplus property in any department to stores or to other departments."

Departments should periodically review their inventories of materials, supplies, and equipment, particularly in conjunction with the representatives of the Purchaser of Supplies during periodic checks of inventories, as required by Charter Section 88. Accumulations of surplus equipment or excessive quantities of articles which may be more advantageously used in another department should be promptly reported to the Purchaser of Supplies, and Controller, pursuant to Charter Section 88.

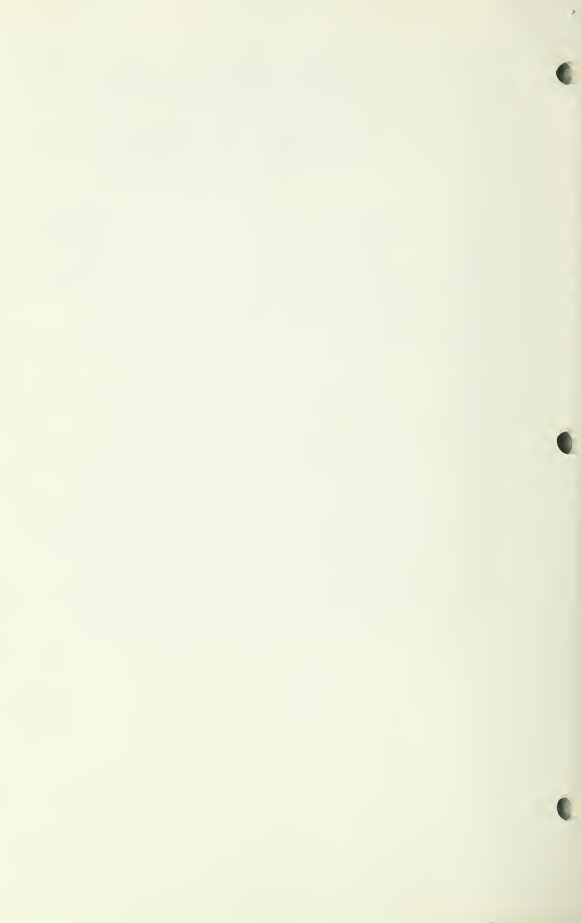
Departments in need of equipment should write to the Purchaser of Supplies and inquire as to the possibility of procuring surplus from stocks; at nominal cost within available funds, or possibly transferred without cost.

Schedules of surplus equipment are periodically published by the Purchaser of Supplies, and are available upon request. All departments are invited to inspect surplus articles in the inventories of the Purchaser of Supplies.

The proper forms and procedure applicable for transfers, exchanges, disposition, or acquisition of surplus or unfit articles may be obtained from the Purchasing Department, Equipment and Supplies Section.

When a department acquires new equipment to replace a specific existing like item which is not traded in or sold, the old equipment shall be considered as surplus, available for transfer or other disposal by the Purchaser of Supplies. The department may request retention of such old equipment for its operating use by obtaining written approval of the Mayor and Board of Supervisors.

Proceeds from the sale of used equipment shall be credited in the manner authorized in the annual appropriation ordinance.



CITY AND COUNTY OF SAN FRANCISCO  
 PROCUREMENT AND FISCAL GUIDE  
 OTHER SUBJECTS PERTINENT TO PROCUREMENT PROCEDURES:  
 AUTHORITY (BOARD OF SUPERVISORS);  
 EMERGENCY PROCUREMENTS;  
 APPROPRIATIONS AND ALLOTMENTS;  
 PLANNING OF PURCHASING;  
 INVOICES-BILLS-VOUCHERS;  
 EQUIPMENT;  
 THINGS OF UNUSUAL CHARACTER OR EXPERT AND  
 PROFESSIONAL SERVICES;  
 INSURANCE PROGRAM;  
 OFFSETS-AMOUNTS OWED CITY & COUNTY;  
 CLAIMS AGAINST CITY & COUNTY

AUTHORITY:

Section 9 of the Charter: "Powers Vested in Board of Supervisors", reads as follows:

"The powers of the City and County, except the powers reserved to the people or delegated to other officials, boards or commissions by this charter, shall be vested in the Board of Supervisors and shall be exercised as provided in this charter....."

"The Board of Supervisors may, by ordinance, confer on any officer, board or commissions, by this charter, such other and additional powers as the board may deem advisable."

Pursuant to Charter Section 9, the supervisors have approved various ordinances or resolutions designating certain officers, department heads, boards of commissioners with power to enter into certain contracts or other transactions in the manner described therein. Thereafter, and pursuant to Charter Section 17, many such ordinances and resolutions have been approved and codified in the Municipal and or Administrative Codes, including the Purchasing Procedure and Contract Procedure (Chapter 21 and 6 of the Administrative Code.)

Schedule "B" of this guide presents citations to provisions of the charter pertinent to City and County procurement procedures, classified under various section headings in this guide.

Schedule "C" contains references to pertinent provisions of the Administrative Code.

Other law (State or Federal) may authorize or require a particular City and County officer or department to have full charge of certain functions, including the contracting for procurements and disbursements from a designated fund or appropriation account.

EMERGENCY PROCUREMENTS:

In case of "actual emergency", procurements may be made in the most expeditious manner through the proper contracting department and procedure; subject to the availability of funds (Charter Section 86); and in accordance with emergency provisions in Sections 16, 25, 72, 88 and 95 of the Charter. The term "actual emergency" and the procedure to be followed are explained in Section 21.25 and 6.30 of the Administrative Code quoted in full in Schedule "F".

APPROPRIATIONS AND ALLOTMENTS:

Each department shall keep appropriation and allotment accounts to reflect the current status of available balances. The department's appropriation accounts should be encumbered with the estimated amount of unfilled requisitions.

Each department should reconcile its appropriation account balances with related balances reflected on copies of Controller's appropriation statements which will be forwarded monthly.

Before any requisition is drawn, or any obligation is otherwise incurred, reference should be made to the proper appropriation account to insure that funds are available for the purpose. In this connection, Charter Section 86, provides:

"No obligation involving the expenditure of money shall be incurred or authorized by any officer, employee, board or commission of the city and county unless the controller first certifies that there is a valid appropriation from which the expenditure may be made, and that sufficient unencumbered funds are available in the Treasury to the credit of such appropriation to pay the amount of such expenditure where it becomes due and payable."

1. Budget Appropriation

Allotments, liabilities incurred and expenditures made from budgeted expenditure appropriations shall in no case exceed the amount of each such appropriation, unless the same shall have been increased by supplemental appropriations made in the manner provided by Sections 79 and 80 of the Charter, or by transfer as provided by Sections 77 and 90 of the Charter. Controller's Form No. 307A- "Request to Controller for Funds" is usually used in connection with transfers, allocations, allotments, or release of reserves, in accordance with established fiscal procedures.

2. Trust Funds

In accordance with Sections 2 and 19 of the Charter, gifts, devices and bequests may be accepted and administered by designated department heads, boards, and commissions, for certain purposes, strictly in accordance with the terms of the particular trust.

3. Bond Funds

Pursuant to Article XI of the State Constitution the electorate of the city and county of San Francisco has approved various specified major public works and improvement programs. The Board of Supervisors has appropriated moneys for specific allocations or projects within the construction program authorized by the electorate for the particular bond funds. Procurements chargeable to those authorized bond fund appropriations may be contracted for in accordance with the applicable procedure, on the proper encumbrance documents which shall be audited and certified by the Controller as to the availability of funds.



PLANNING OF PURCHASING

Substantial savings can be effected by:

1. Planned quantity purchasing within reasonable and practical limits, including the anticipation and requesting of additional allotments which may be required.
2. Cooperating closely with the Purchasing Department in the preparation and use of printed Term Proposals.
3. Reduction of the number of purchase orders and/or of departmental requisitions, by:
  - (a)-Proper use of blanket purchase orders for each month, including one "traveling" requisition instead of a requisition for each purchase order.
  - (b)-Requesting the Purchaser to issue a Term Purchase Order for a specified period or to "various" vendors.
  - (c)-Proper use of available revolving funds.
4. Determining if articles or services usually purchased through a department's revolving fund may be readily obtained from one of the Purchaser's store rooms or shops or practically at lower prices from the contractor designated in a printed Term Proposal.

Quantity Purchasing (standardization of supplies, etc.)

Departments should study records of usage experiences relative to materials, supplies, contractual services and equipment. Effort should be made to anticipate all requirements for the near future of items supplied by each vendor, to avoid unnecessary frequent small orders.

Standard commodities or services used regularly and in volume should be ordered in reasonable quantities with consideration to facilities for storage, responsible custodianship, and availability from inventories maintained by Purchasing Department.

When a department regularly places several orders with one vendor each month, a blanket purchase order should be drawn, prior to each month for the coming month's estimated deliveries.

Standard Annual Proposals

Many items required regularly and in substantial volume by various departments are annually scheduled in term proposals and contracted for by the Purchaser, to cover requirements of all departments for a specified term and/or for definite or indefinite quantities, to take full advantage of large volume discounts. Such proposals are available in the Purchasing Department.

INVOICES - BILLS - VOUCHERS:

The Charter includes provisions reading as follows:

Section 20 - Powers and Duties of Department Heads:

"Each department head or the head of a utility, institution, bureau or other subdivision of each department shall be responsible for the proper checking of all materials, supplies and equipment ordered for its purposes, and for the approval or disapproval of bills for claims rendered for such materials, supplies or equipment."

Section 85 - Expenditures and Payment of Claims:

"All warrants shall be drawn by the Controller, in payment of claims, prepared and signed by the responsible official, for services, supplies and other obligations against the city and county, supported by proper invoices, bills and other necessary data."

"The Controller shall audit such claims."

"Prior to his drawing any warrant therefor, the Controller may, in addition to any other inspection required by any official, make such investigation as he deems necessary as to the quality, quantity and condition of services, material, supplies or equipment received by any officer or department for which payment is to be made by such warrant.....".

Section 89 - Purchasing Procedure:

"The purchaser of supplies shall approve all bills or vouchers for materials, supplies, equipment, and contractual services before the controller shall draw and approve warrants therefor."

Vendors' copies of all purchase orders or other types of encumbrance documents should include printed instructions regarding related invoices as follows:

- 1 - Number of copies of invoices needed. (P.O.'S require four copies).
- 2 - Designate address where invoices are to be sent.  
(On P.O.'s invoices are sent to Purchasing Department, except when otherwise instructed).
- 3 - Invoices shall show reference to related Purchase Order or other encumbrance document number.

All materials delivered or services rendered should be promptly verified and certified as satisfactorily received by the receiving departments in related Material Received Reports or other authorized payment documents.

M.R.R. and other payment documents, with related invoices, should be properly approved and promptly forwarded to the Purchaser of Supplies or the Controller for payment, as provided in the applicable procurement procedure.

SCHEDULE "A"

EQUIPMENT:

As provided in Charter Section 88 and Section 21.29, 21.30, 21.31 and 21.32 of the Administrative Code, department heads are strictly accountable for all equipment charged to the department in the perpetual inventory records maintained by the Purchaser under the supervision of the Controller.

Departments in need of equipment should explore the possibility of procurement by transfer from surplus stocks held by the Purchaser of Supplies. Departments should report all surplus, obsolete, or damaged equipment to the Purchaser as provided in Section 21.32 of the Administrative Code.

Requisitions for equipment and/or for certain materials and supplies involving special requirements, shall include all particulars specified in annual instructions issued by the Purchaser of Supplies. Such data includes full description of equipment desired; budget information and particulars regarding disposition of any equipment being replaced.

Equipment charges to current funds are subject to audit and approval by the Controller's Budget Division. Appropriations for equipment from current funds shall be construed to be annual appropriations, and unencumbered balances shall lapse at the close of the fiscal year.

Equipment chargeable to a bond fund, other than permanently affixed construction equipment, shall be restricted to specific items, authorized by provisions of the bond fund, and appropriated by the Board of Supervisors.

Requisitions for cash registers, bookkeeping machines, I.B.M., electronic data processing, or other equipment involving accounting procedures shall be approved in advance by the Controller pursuant to Charter Section 64.

Effective July 1, 1965 the Purchaser of Supplies and the Controller have agreed to following definition of equipment to be capitalized. It is taken from the State Controller's Manual of Procedure.

"Equipment includes moveable personal property of a relatively permanent nature and of significant value such as furniture, machines, tools and vehicles.

'Relatively permanent' is defined as a useful life of three years and longer. 'Significant value' is defined as \$50 and over."

THINGS OF UNUSUAL CHARACTER-OR EXPERT  
PROFESSIONAL TEMPORARY SERVICES:  
 Charter Section 88 reads in part:

".....Purchases of books, magazines and periodicals for the library departments, works of art for museums and other articles or things of unusual character as to the purchasing thereof, may, on the recommendation of a department head and the approval of the purchaser, be purchased directly by said department head".

"Purchases for construction operations, or for any operations conducted outside the boundaries of the city and county may, on the recommendation of the department head in charge thereof and the approval of the purchaser of supplies, be made by the department head. All such purchases made by officials of departments other than the purchasing department shall be made in accordance with regulations established by the purchaser of supplies.".....

Rule 21.18 (e) of the Rules and Regulations covering "OTHER PURCHASES" (Section 21.18 of Admin. Code) issued March 8, 1963, by the Purchaser of Supplies, approved by the Chief Administrative Officer, and Controller, is quoted as follows:

"Professional or Special Services. Such services shall be defined by the purchaser as "Professional" or "Special", approved as such by the chief administrative officer and listed and filed with the controller. They may be purchased without seeking competition and will be identified as "Special Service" in accordance with past practice."

Many provisions of the Charter (Schedule "B") and Administrative Code (Schedule "C"; or other law may empower a City and County officer or department head to directly purchase things of unusual character or to engage an independent contractor to do a professional or specialized task. Any department authorized to do its own purchasing is invited to consider procurement through the Purchasing Department wherein the services of experienced buyers, price catalogs and established procedures of scientific buying are available.

Any encumbrance document contemplating the engagement of an independent contractor for a specific professional task for a stated period of time shall be accompanied by a so-called "genius" letter, addressed to the Controller, and certified by the head of the contracting department in the following language:

"Submitted herewith is a (type of document) engaging the personal services of (Name), an independent contractor, for the specific professional task of

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For your consideration in connection with the certification of this (type of document) I hereby certify that

1. The (type of document) is for expert professional temporary services of an extraordinary nature requiring qualifications and foundation for competence which are highly individualized, and that (Name) has the qualifications of the expert required therefor.
2. The services contracted for cannot be adequately rendered by this or any other department of this City."

Very truly yours,

(signed by)

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INSURANCE PROGRAM:

The "Insurance Program" for the City and County is prescribed in Article XII, Section 10.74 through 10.78.2 of the Administrative Code. Section 10.74 reads:

"Except as otherwise provided by this article, the procurement of insurance for any City and County department shall be subject to the review of the Controller."

Chapter 21, Section 21.4 (Purchasing Procedure) of the Administrative Code prescribes the procedure for procurement of insurance by the Purchaser of Supplies.

City and County-owned automobiles and trucks, including employee-owned vehicles used in City and County official business, are insured generally under blanket coverage for property damage and public liability, except for emergency vehicles (police, fire, and hospital). Contracts under which vehicles are leased or rented are required to include provisions to adequately insure the City and County.

Accidents involving vehicles engaged in City and County operations shall promptly be reported by the department head concerned, to the Purchaser of Supplies on prescribed forms and in accordance with established rules and regulations. The department head concerned shall be responsible for accident reports which may be legally required to be sent to the State Department of Motor Vehicles in Sacramento, on forms obtainable from the Purchaser of Supplies.

Any claims in favor of the City and County resulting from such automotive accidents shall forthwith, in writing, be filed with the City Attorney and Controller, as prescribed in the Administrative Code, beginning with Section 10.21. The claim notice shall set forth generally the amount and nature of said claim and the name and address of the person, firm or corporation against whom said claim is to be made.

Contracting officers should ascertain that proposed agreements for vendors or contractors to perform work or services for the benefit of City and County departments contain provisions for adequate and reasonable protection to the City and County. In submitting requisitions or requests for work or services, departments should advise the Purchaser or other contracting officer in writing of any hazards or special conditions which indicate the desirability of including provisions for insurance protection in the proposed contract.

Before obligating the City to pay for repairs or replacements of equipment or real property, department heads should determine if the proposed work is covered by a guarantee. The contracting officer may be consulted to determine whether or not such a guarantee exists.

The contracting for repairs of damages to City and County-owned automotive equipment is the responsibility of the Purchaser of Supplies (Charter Section 88). The Purchaser may authorize such work to be done by an outside vendor through the established bid procedure, or in the Purchaser's Central Shop. Also, the Purchaser may authorize a department head to make all arrangements to have the repairs done in special cases such as minor damages or when the expenses may be financed by by outside party responsible for the accident.

OFFSETS - AMOUNTS OWED CITY AND COUNTY:

The procedures for the offset of amounts owed the City and County against amounts owed by the City and County are authorized and described in Sections 10.27.1 thru 10.27.6, in Chapter 10, Article II of the Administrative Code. Section 10.27.1 thereof reads:

"The Controller may in his discretion, offset any amount owed to the City and County by a person or entity against any amount owed by the City and County to such person or entity."

Department heads should be aware of any unusual claims or amounts owed to the City and County by vendors. If it appears that there may be difficulty collecting amounts owed to the City and County, or in settling the claims, the department head concerned shall notify the Controller of the particulars in writing.

CLAIMS AGAINST THE CITY AND COUNTY OF SAN FRANCISCO:

Claims for damages against the City and County departments may be paid through the various procurement procedures discussed in this guide, namely: Request For Warrant; Encumbrance Request or Revolving Fund. Any payment for such claims shall be audited by the Controller's Office for strict compliance with all legal and fiscal requirements.

Claims against the City and County may be filed on Form O-48, copies of which are obtainable from the Controller's Secretarial Office.

The procedures and legal requirements for the proper filing of claims against the City and County are outlined hereunder:

WRITTEN CLAIM REQUIRED

"No suit for money or damages may be brought against a local public entity on a cause of action for which this chapter requires a claim to be presented until a written claim therefor has been presented to the entity in conformity with the provisions of this article." (Government Code Section 710)

WHO PRESENTS CLAIM: WHAT IT MUST CONTAIN

"A claim shall be presented by the claimant or by a person acting on his behalf and shall show: (a) The name and post office address of the claimant; (b) The post office address to which the person presenting the claim desires notices to be sent; (c) The date, place and other circumstances of the occurrence or transaction which gave rise to the claim asserted; (d) A general description of the indebtedness, obligation, injury, damage or loss incurred so far as it may be known at the time of the presentation of the claim; and (e) The amount claimed as of the date of presentation of the claim, together with the basis of computation thereof..." Government Code Section 711)

WHO SIGNS CLAIM

"...The claim shall be signed by the claimant or by some person on his behalf..." Government Code Section 711)

AMENDMENT OF CLAIM

"...A claim may be amended at any time and the amendment shall be considered a part of the original claim for all purposes." (Government Code Section 711)

CLAIMS AGAINST THE CITY AND COUNTY OF SAN FRANCISCO: (Cont'd.)

WHERE TO PRESENT CLAIM: WHERE TO MAIL CLAIM

"A claim may be presented to a local public entity (1) by delivering the claim to the clerk, secretary or auditor thereof within the time prescribed by Section 715 or (2) by mailing the claim to such clerk, secretary or auditor or to the governing body at its principal office not later than the last day of such period. A claim shall be deemed to have been presented in compliance with this section even though it is not delivered or mailed as provided herein if it is actually received by the clerk, secretary, auditor or governing body within the time prescribed."  
(Government Code Section 714)

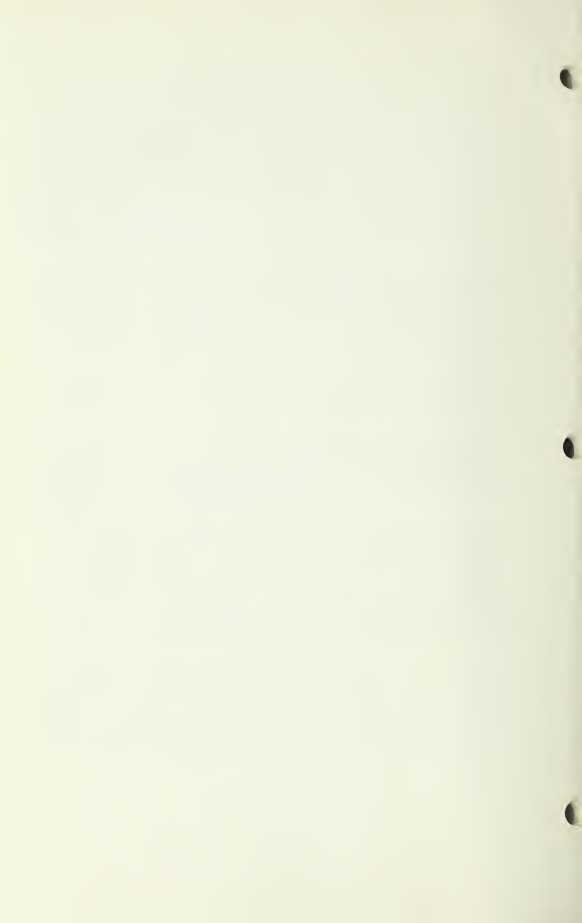
TIME IN WHICH CLAIM MUST BE PRESENTED

"A claim relating to a cause of action for death or for physical injury to the person or to personal property or growing crops shall be presented as provided in Section 714 not later than the one hundredth day after the accrual of the cause of action. A claim relating to any other cause of action shall be presented as provided in Section 714 not later than one year after the accrual of the cause of action."

"For the purpose of computing the time limit prescribed by this section, the date of accrual of a cause of action to which a claim relates is the date upon which the cause of action accrued within the meaning of the applicable statute of limitations."  
(Government Code Section 715)

INFORMATION ON FILING: SETTLING OF CLAIMS

For substantial re-enactment of above, see San Francisco Administrative Code Article IA (Beginning at Section 10.20-1). For settlement of claims for and against San Francisco, see San Francisco Administrative Code Article II (Beginning at Section 10.21).





PROCUREMENT PROCEDURES  
PERTINENT PROVISIONS OF THE CHARTER

AUTHORITY

Citations to pertinent provisions of the Charter are presented under the following classified subjects:

Availability of Funds  
Materials, Supplies, Contractual Services and Equipment  
Revolving Funds  
Inter and Intra-Departmental Services  
Emergencies  
Contracts  
Public Works and Improvements  
Things of Unusual Character and Expert Professional  
Temporary Services

AVAILABILITY OF FUNDS

<u>Section</u>	<u>Charter Section Headings</u>	<u>Subject Matter</u>
64	General Powers and Duties of Controller	Prescribing of accounts
72	Adoption of the Budget and the Appropriation Ordinance	Appropriation and Allotments
86	Limitation of Incurrence of Liabilities	Controller's Prior Certification
88	Purchasing	Controller's Certification

MATERIALS, SUPPLIES, CONTRACTUAL SERVICES, EQUIPMENT

20	Powers and Duties of Department Heads	Issue and authorize requisitions. Check and approve bills and claims for materials, supplies, equipment.
88	Purchasing (Purchase and sale of Materials, Supplies and Equipment	Purchaser of Supplies power to contract: Things of unusual character. Construction outside of S. F. Bid Procedure. Exchanges, Contracts, Central Storerooms, Warehouses, Garages, Shops, Inventories, Surplus Property transfers.
88.1	Purchaser of Supplies to Purchase Surplus Commodities	From U.S. or State, subject to Controller's certification of funds.
88.2	Purchasing Procedure by Ordinance	B/S sets monetary limits for bids by ordinance. See Sections 21.1 to 21.32 Administrative Code.
89	Purchasing Procedure	Requisitions required. Records of average use. Approval of bills. Bid Procedure.

REVOLVING FUNDS

75	Departmental Revolving Funds	Established by Board of Supervisors
88.2	Purchasing Procedure by Ordinance	B/S sets monetary limit on Revolving Fund purchases.
90	Purchaser's Revolving Fund	Available to all Departments

## SCHEDULE "B"

INTER AND INTRA-DEPARTMENTAL SERVICES

<u>Section</u>	<u>Charter Section Headings</u>	<u>Subject Matter</u>
64	General Powers and Duties of Controller	Unit costs; internal check.
77	Transfers	Payments - interdepartmental services.

EMERGENCIES

16	Emergency Measures and Effective Date of Ordinance	Emergencies defined. Accelerated legislation.
25	The Mayor	Mayor's duties in emergencies.
72	Adoption of the Budget and the Appropriation Ordinance	Additional allotments for emergencies.
88	Purchase and Sale of Material, Supplies & Equipment	Bid Procedure for emergencies.
95	Public Works and Purchasing Contracts	Procedures for emergencies; C.A.O., Board of Supervisors.

CONTRACTS

95	Public Works and Improvements	Procedures; Public Works, Improvements. Contracts by Purchaser of Supplies.
96	Progress Payments	Contract payments and retentions.
97	Penalties and Extras	Unit Costs or gross basis Contracts; time limits, modifications.
98	Contractors' Working Conditions	Working hours; Wages; Citizens; Residents; Local Preferences; Sub-contractors.
99	Contract Procedure by Ordinance	Chapter 6 of Administration Code.
100	Collusion	Procedures-penalties.

PUBLIC WORKS AND IMPROVEMENTS

42	Recreation and Park Dept. (Control and use of Property)	Director of Public Works with approval of Recreation and Park Commission.
44	War Memorial	Board of Trustees, Charge of Construction.
51	M. H. de Young Memorial Museum	Board of Trustees may contract.
61	Department of Electricity	Has charge of Police and Fire Alarms (per prior Charter).

## SCHEDULE "B"

PUBLIC WORKS AND IMPROVEMENTS - Continued

<u>Section</u>	<u>Charter Section Headings</u>	<u>Subject Matter</u>
106	Department of Public Works	From prior Charter, Article VI, Chapter I, Section 9, Contract for: Streets, Pipes, Wires, Sewers, etc. Drainage Cleaning and Sprinkling, Light- ing Public Buildings Building Construction Construction Public Buildings Conduits, Garbage, Sewer System Proceedings relative to Excavating of Street.
121	Public Utilities Commission, General Powers and Duties	Operation and maintenance; Construction and Additions; Betterments and Extensions.

THINGS OF UNUSUAL CHARACTER AND EXPERT PROFESSIONAL TEMPORARY SERVICES

2	Powers of the City and County	City & County may enforce all necessary laws, regulations, etc.
3	General Law Procedures	State Law may provide a City or County procedure.
9	Board of Supervisors	Has powers and duties not otherwise delegated.
19	Powers and Duties of Boards and Commissions	Boards and Commissions may pre- scribe rules and regulations not inconsistent with charter.
20	Powers and Duties of Department Heads	Authorize requisitions for Purchase Orders; approve pur- chases; receipt of and bills or claims for materials supplies, equipment.
23	Administrative Code	Board of Supervisors may approve and publish powers, duties, methods and procedures of departments.
25	The Mayor	Mayor may expend additional funds appropriated for pur- poses and duties incidental to his office.
26	City Attorney	Represents City & County in legal matters and opinions; litigation and claim settle- ments; approves forms of ordi- nances, official bonds, con- tracts, real property titles.
29	District Attorney	May expend Special Fund as provided by law.
35.8 35.8.1	Chief of Police	May disburse "Contingent Fund" and "Narcotic Fund", as ordered by Police Commission.

THINGS OF UNUSUAL CHARACTER AND EXPERT  
PROFESSIONAL TEMPORARY SERVICES - Continued

SCHEDULE "B"

<u>Section</u>	<u>Charter Section Headings</u>	<u>Subject Matter</u>
50	California Palace of the Legion of Honor	Trustees may insure loan exhibits.
51	M.H. de Young Memorial Museum	Trustees shall have power to: insure loan exhibits; enter into contracts to maintain, repair or reconstruct buildings.
52	California Academy of Sciences	C.A.S. has power to contract Plans for buildings or improvements, with the approval of Recreation & Park Commission and Art Commission.
53	Municipal Court	Powers and duties are prescribed by the Constitution and General Law.
56	Superior Court	Powers and duties are prescribed by State Law.
57	San Francisco Law Library	Trustees may purchase books and periodicals from Law Library Fund.
60	Chief Administrative Officer	Controls Publicity and Advertising expenditures.
61.8	Public Welfare	Exercises functions of a County Welfare Department and as may be authorized by the Government of the U.S. or State.
64	Controller	Prescribe method of accounts.
65		Shall perform various audits.
68	Annual Audits by Board of Supervisors	The Board shall order an annual audit of Controller's books by Certified Public Accountants.
91	Director of Property	Director shall have charge of Purchase, sale, trade or lease of real property and improvements. He may employ independent appraiser.
92		
93		
116	City Planning	Commission may contract for architects, city planners, engineers or other consultants.
159	Retirement Board	Board has exclusive control of investment of funds.
172	Compensation Insurance Payments	Workmen's Compensation is administered by Retirement Board.
172.1.3	Health Service System	Health Service Board shall adopt plans for medical care and carrying of the insurance.  Board of Supervisors shall secure actuarial report.
172.1.12	Health Service System	Health Service Board shall have control of investments of Health Service Fund.

PROCUREMENT PROCEDURES  
 INDEX TO PERTINENT PROVISIONS OF ADMINISTRATIVE  
 CODE - SHOWING:  
 DEPARTMENTS PRIMARILY CONCERNED;  
 ADMINISTRATIVE CODE SECTIONS; and  
 GENERAL SUBJECT MATTER

This schedule includes amendments to June 30, 1965, and is intended to aid as a handy reference guide rather than as a replacement of the complete language in the Administrative Code. Certain subjects affect "All Departments" and are filed thereunder; or in a few cases may be indexed under several mutually affected departments in this schedule.

<u>ALL DEPARTMENTS</u>	<u>GENERAL SUBJECT MATTER</u>
3.1 to 3.14	Budget Procedure; Budget Priority and Capital Improvement Advisory Committees.
4.2 to 4.9-1	Vending Machines, Installations and general procedures.
4.10 to 4.13 & 4.16	City-owned automobiles; City Seal; Use; Automobile pool; Insurance; Safety-seat belts.
6.1 to 6.53	Contract Procedure (Emergencies Section 6.30) (See Schedule "F")
8.1 to 8.20	Record Center; Documents, records, books, publications; Storage; Disposition.
10.20-1 to 10.20-5; 10.21 to 10.28	Claims against City & County; Procedure-Settlement of Claims - For or against City.
10.25-1 to 10.25-8	Replace and Repair Prosthesis Equipment-Property of Uniformed Forces.
10.27-1 to 10.27-6	Offsets of Amounts owed by against Amounts owed to City & County.
10.31 to 10.36	Compensation for use of privately-owned automobiles; Routine Travel; Controller to set rates. (Also see 16.94 to 16.96).
10.43 to 10.43.1-7	Refunds: Rules & Regulations; Duplicate-Excess or Erroneous Payments; Fees-licenses-Penal - ties-Costs; Audit Requirements.
10.74 to 10.78-2	Insurance Program; Controller's Review.
10.80	Creation of Special Funds; Gifts; Expenditures; etc.
10.90	Stores Revolving Funds; Proceeds of Sales of City-owned property.
10.118 to 10.124	Financing of Public Facilities; Form of Agreement (Civic Center Parking Plaza).
10.125 to 10.167	Revolving Funds of Various Departments (Procedure).
16.6 to 16.6-51	Memberships in Organizations; Annual Dues & Expenses; Attendance of Meetings or Conventions; Authorizations for Specific Departments.

SCHEDULE "C"

<u>ALL DEPARTMENTS</u>	<u>GENERAL SUBJECT MATTER - Continued</u>
16.6-52	Electronic Data Processing Training- Procedure for Training Employees.
16.9-5 to 16.9-7	Employee Training-Reimbursement-Tuition- Accredited Schools.
16.94 to 10.96	Travel Allowances; Employees working out- side of S.F. Fixing Rates; Also; (Refer to Sections 10.31 to 10.36).
16.108 to 16.121	Merit Award Fund; Employees suggestions.
16.122 to 16.156	Bonding of City Officers & Employees; Blanket Bonds; Specific Bonds.
18.1 to 18.8	Payroll Procedure.
19.1 to 19.34	Permit Procedure.
21.1 to 21.32	Purchasing Procedure (Per Charter Section 88.2) (See Schedule "F").
1.6-1 & 1.6-2	Official Key of City; and Regulation of Use.

SCHEDULE "C"

<u>ADMIN. CODE SECTION NO.</u>	<u>PERTAINING TO</u>	<u>GENERAL SUBJECT MATTER</u>
2.6	Board of Supervisors	Bay Area Air Pollution Control District: Policy.
2.10 to 2.18	" " "	Legislative Procedure.
2.19 to 2.23	" " "	When Sitting as Board of Equalization: (Employment of Independent Appraiser).
2.23 to 2.24	" " "	Charter Amendments-Procedure.
2.25 to 2.29	" " "	Public Utility Rates-Procedure.
2.30 to 2.35	" " "	Bonded Indebtedness for Public Improvements: Procedure.
3.1 to 3.12	" " "	Budget Procedure, including Supplemental Appropriations.
10.3-3	" " "	Bay Area Rapid Transit District; Agreement Under State Law.
10.21 to 10.28	" " "	Settlement of Claims For and Against City and County (Approvals of Settlements).
10.47 to 10.49	" " "	Appointment of New York Fiscal Agent to Pay Principal and Interest on Bonds.
10.170	" " "	Federal or State Grant Projects Require Prior Approval of Board of Supervisors.
20.40	" " "	Inter-County Welfare Agreements for Public Welfare.
Chapter 11	" " "	Franchise Procedure.
Chapter 5	" " "	Federal Legislation Committee; Advisory Committee on Regional Service; State Legislation Committee; Creation, duties, powers, generally.
Chapter 12	" " "	Housing Authority.
10.115	California Palace of the Legion of Honor	Achenbach Gift, Maintenance of Art Gifts.
4.1 & 4.2	Chief Administrative Officer	Allocation of Office Space or Remodeling; Approval of C.A.O. (Also, Installations of Vending Machines.)
8.11	" "	Twin Peaks Tunnel Vault; Keys & Combinations; Joint Custody with Treasurer.

SCHEDULE "C"

<u>ADMIN. CODE SECTION NO.</u>	<u>PERTAINING TO</u>	<u>GENERAL SUBJECT MATTER</u>
9A.1 to 9A.20	Chief Administrative Officer	FARMER'S MARKET: C.A.O. to Establish & Maintain.
10.19	" "	Propagation and Conservation of Fish; Approval of Expenditures.
10.87	" "	Special Gas Tax Street Improvement: C.A.O. Authorized to Execute Agreements.
11.1 to 11.7	" "	Franchise Procedure: C.A.O. To Investigate and Report.
15.6	" "	Dept. of Public Health-Out-Patient Psychiatric Services; Execution of Contracts.
16.6-52	" "	Electronic Data Processing Training Procedure for Designating Employees.
16.121-1 to 16.121-5	" "	Accident Prevention Program-Procedures: Training; Personnel; Central Safety; Committee; Coordinator-C.A.O.
20.25-1	" "	Dept. of Public Health; Reciprocal Agreements-Hospitalization in Another County, with Director of Public Health (W. & I. 203.7).
1.7-1	City Attorney	Public Nuisances; Authority to Dismiss Actions. State
2.5	" "	Public Utilities Commission: (City Attorney's Rate Expert)
10.21 to 10.28	" "	Claims for and against City and County. Procedure in General.
10.43-1 to 10.43-1-7	" "	Refunds-Procedures-Generally.
16.130 & 16.150	" "	Approval of Bonds As To Form.
16.7	Civil Service Commission	Expenses of Applications for Civil Service Appointment.
16.9-3 to 16.9-8	" " "	Employee Training-Reimbursement of Tuition at Accredited Schools.
16.3-6	Coroner	Interment of Veterans and Veterans' Widows.
1.9 to 1.13-4	County Agricultural Commission	Agricultural Products; Inspection; Fees; Destruction of Unfit Vegetables; Annual Salary Agreement.



SCHEDULE "C"

ADMIN. CODE SECTION NO.	PERTAINING TO	GENERAL SUBJECT MATTER
22.2 to 22.4	Department of Electricity	Radio Communication
10.20	de Young Memorial Museum	Authority to Accept Gifts: Exhibition Purposes.
10.3-2	Controller	Streets & Roads-Expen- ditures & Receiving Reports.
10.6 to 10.8	"	Audits and Investigations; Contracts for Audits.
10.8-1	"	Hunter's Point Reclamation District: Designation of Controller-Auditor & Treasurer.
10.21 to 10.27	"	Settlement of Claims for and against City & County.
10.27-1 to 10.27-6	"	Controller to Offset: Amounts owed to City Against Amounts owed by the City.
10.28	"	Controller may hire special counsel.
10.31 to 10.36	"	Compensation for use of Privately-Owned Auto- mobiles.
10.43-1 to 10.43-1-7	"	Refunds-Procedures, Generally.
10.74 to 10.78	"	Insurance Program-Controller to Review; Contract for Expert.
10.93 & 10.94	"	Veterans' Administration: Trainees in City Employ- ment: Authority to Accept Receipts and Payments to Vendors.
11.1 to 11.7	"	Franchise Procedure: Controller's Examinations and Annual Reports.
16.41	"	Controller shall make an annual audit of Retirement Board.
16.130 and 16.150	"	Bonding of City Officers and Employees: Sufficiency and Solvency of Sureties.

## SCHEDULE "C"

ADMIN. CODE SECTION NO.	PERTAINING TO			GENERAL SUBJECT MATTER
4.15	Department of Public Health			Hassler Health Home; Patient's Store Candies, Soft Drinks, etc. procedure
10.20-01	"	"	"	Authority to Accept Aid from State Dept. of Public Health; with C.A.O.
10.89	"	"	"	Self-Insurance Fund-Public Health Officers.
10.97 to 10.99	"	"	"	Tuberculosis Trust Fund.
10.104 to 10.106	"	"	"	Old Gold Trust Fund.
10.107	"	"	"	Infantile Paralysis Fund.
10.110	"	"	"	Laguna Honda Home Gift Fund.
10.111 to 10.114	"	"	"	Laguna Honda Home Workshop; and Laguna Honda Home Workshop Fund.
10.114-1	"	"	"	Laguna Honda Home Trust Fund (Patients' Deposits).
10.114-2	"	"	"	Hassler Health Home Establishment of Home Trust Fund.
15.1 to 15.7	"	"	"	Community Mental Health-Contracts for Services or Facilities-Out-Patient Psychiatric Services.
19A.1 to 19A.7	"	"	"	Agreements with State for various Services: Naline Tests; Student-Nursing Training; Space for U.C. Medical School; State Surplus Property; Aid-State Dept. of Public Health; Aid-Mental Health; Narcotics & Alcoholic Care.
20.25-1	"	"	"	Reciprocal Agreements-Hospitalization in another County (C.A.O. with Director of Public Health).
20.32-1	"	"	"	Homemaking Services, Home Care Visiting Nurses.
20.41 to 20.44	"	"	"	Handicapped Children Assistance. C.A.O. with Director of Public Health.
1.16	Department of Public Works			Public Monuments-Care and Maintenance: Jurisdiction (Except Schools & Parks).
6.1 to 6.33	"	"	"	Contract Procedure, in General. Regulations in regard to working conditions and sub-contracts. (See Schedule "F")
6.34 to 6.53	"	"	"	

SCHEDULE "C"

ADMIN. CODE SECTION NO.	PERTAINING TO			GENERAL SUBJECT MATTER
10.84 to 10.87	Department of Public Works - (Continued)			Special Gas Tax-Street Improvement Fund; Agreements-Expenditures. (C.A.O.)
10.117	"	"	"	Litter Control.
16.6-50	"	"	"	D.P.W. employees to attend conferences and training courses, assigned by C.A.O.
25.1 to 25.6	"	"	"	Street Lighting Facilities with P.U.C. Approval.
26.1 to 26.5	"	"	"	Real Estate Subdivision; general procedure.
4.14	Director of Finance and Records			Temporary Use of Official Voting Machines.
7.1 to 7.17	Disaster Council and Corps			Powers and Duties, generally.
1.17	Director of Property			Use of City Property for Decoration Purposes: Deposits.
1.18	"	"	"	Fray Junipero Serra: Agreement for maintenance of Public Birthplace Petra, Mallorca, Spain.
2.20	"	"	"	Independent Expert Appraisers for Board of Supervisors, Director of Property to employ.
4.1	"	"	"	Office space in City Hall and Hall of Justice.
6.1	"	"	"	Contracts for Demolition of City-Owned Buildings.
10.43-5	"	"	"	Refunds-Rental Deposits: Civic Auditorium, Brooks Hall.
23.1 to 23.25	"	"	"	Real Property Transactions: Procedure Generally; purchasing, acquiring, accepting, exchanging, leasing, rental, granting, conveying, relinquishing, transfers between departments, etc.
9A.1 to 9A.20	Farmers' Market			C.A.O. to Establish and Maintain: General Rules; Regulations and Procedures; including Distribution of Surplus to Needy Persons.
12A.1 to 12A.6	Human Rights			Prescribed duties and Powers.
16.6-65	"	"	"	Authorizing employees to attend certain conferences, workshops, training courses.

SCHEDULE "C"

<u>1949. CODE</u> <u>SECTION NO.</u>	<u>PERTAINING TO</u>	<u>GENERAL SUBJECT MATTER</u>
10.108	Juvenile Court	Log Cabin Ranch School-Special Fund.
16.6-53	" "	Juvenile Court Employees: Attendance Social Welfare Seminars at U. C.
20.28	" "	Wards of Juvenile Court; Maximum amounts for Care.
20.32	" "	Foster Homes: Contracts for temporary Shelter (Also-refer to State Welfare Institutions Code).
16.3 & 16.3-1	Mayor	Appointment of State and Federal Legislative Representatives.
10.56	"	Sale of Trust Securities: Endorsement by Mayor for Transfers.
23.1 to 23.17	"	Real Property: Interdepartmental Transfers: Mayor's Approval Procedures.
10.57 to 10.69	Municipal Court	Payments of Various Amounts collected by the Court.
17.1 to 17.21	Parking Authority	Leasing of Land for Off-Street Parking; and Authority in General.
13.15 to 13.24	Police	Return of Persons charged with Crimes Within State (Also see Sheriff).
13.50	"	Police Commission Authorized to Contract with State for Telpak Circuit System - Re-Stolen Vehicles.
16.9-2	"	Peace Officers' Training Aid from State.
16.3-3 to 16.3-5	Public Administrator	Public Administrator; designated as Public Guardian; Bond; Appointment of Attorney.
16.9-1	Public Defender	Internship for Law Students.
8.21	Public Library	Print & Sell note cards,
10.117	Public Library	Special Fund; Acceptance for General Library Purposes. (Ord. 392-59)
16.9	Public Pound	Poundkeeper, S.F. SPCA Designated.

SCHEDULE "C"

ADMIN. CODE SECTION NO.	PERTAINING TO			GENERAL SUBJECT MATTER
16.28-1 to 16.28-3	Public Welfare (Social Services)			Educational Leaves & Assignments-Public Welfare Agreements with State for Stipends.
20.1 to 20.47	"	"	"	Powers of Public Welfare Department: Needy Children; Aged; Blind; Indigents; Medical Care; Foster Homes & Institutions; Adoptions; Non-Resident Indigents; Handicapped Children; (Also refer to W. & I. Code).
20.31	"	"	"	Destruction of Case Records - After not receiving Assistance for 5 years.
2.25 to 2.29	Public Utilities Commission			Public Utility Rates, Procedures.
10.20-6	"	"	"	Claims: Allowance, Compromise, Settlements; by P.U.C. Resolution (Also-See Govt. Code).
10.83 to 10.83-7	"	"	"	Revolving Funds for P.U.C. Divisions: Authority; Purposes; Regulation by PUC Resolutions; etc.
10.92	"	"	"	Airport: Special Aviation Fund.
10.95 to 10.96	"	"	"	Municipal Railway: Excess Liability Accident Reserve Fund: Creation; Amount.
22.1 to 22.4	"	"	"	Radio Communication Facilities.
23.1 to 23.17	"	"	"	Real Property Transactions (Charter Excepts for Utilities).
4.2 to 4.9	Purchaser of Supplies			Vending Machines: Authorization for Installation; City Buildings.
4.10 to 4.13	"	"	"	City-Owned Automobiles; City Seal; Use for Official Business; Automobile Pool; Automobile Self-Insurance, etc.
4.17	"	"	"	Equipment or Personal Property-Loaned to City & County (Purchaser's Approval).

## Schedule "C"

<u>ADMIN. CODE SECTION NO.</u>	<u>PERTAINING TO</u>	<u>GENERAL SUBJECT MATTER</u>
21.1 to 21.32	Purchaser of Supplies (Continued)	Purchasing Procedure in General: Requisitions; Insurance; Quotations; Bidding; Notices and Ad- vertising; Quantity and Term Awards; Contracts; Performance Bonds; Sureties; Patented & Proprietary Items; Assignments; Financial In- formation Service; Emergen- cies; Purchaser's Revolving Fund; Equipment Inventories; etc. (See Schedule "F").
1.16	Recreation-Park	Care and Maintenance of Public Monuments.
10.109-1	" "	Storyland-Special Fund for Storyland Facilities.
10.116	" "	Acceptance of Gifts for General Park and Recreation Purposes-Special Funds.
19.34	" "	Sporting Fishing Permits on Lake Merced.
10.91	Redevelopment Agency	Community Redevelopment Fund.
24.1 to 24.16	" "	Creation: Housing Authority; Quarterly Reports; Compen- sation of Members; Travel Expenses; Planning Commis- sion; Standards.
4.14	Registrar	Temporary Use of Official Voting Machines; Fees; Applications with Registrar.
16.29 to 16.89	Retirement Board	Powers and duties and pro- cedures-Retirement System; including: Compensation of Witnesses; Actuarial Valua- tion; Annual Audit; Work- mens' Compensation; Medical- Examinations; Pensions; Benefits; etc.
1.16	San Francisco Unified School District	Care and Maintenance of Public Monuments (in School Department).
4.14	" " "	Temporary Use of Official Voting Machines. (From Registrar's Office).

SCHEDULE "C"

<u>ADMIN. CODE SECTION NO.</u>	<u>PERTAINING TO</u>	<u>GENERAL SUBJECT MATTER</u>
1.8	Sheriff	Use of City Property for Propagation of game birds; Procedure.
13.1 to 13.24	"	Jails and Prisoners: In General Sheriff's Stores in County Jails; Return of Persons Charged with Crimes from within State.
10.39-1	Tax Collector	Bureau of Delinquent Revenue: Assignment of Accounts for Purpose of Collection.
8.11	Treasurer	Twin Peaks Tunnel Vault: Joint Custody of Keys and Lock Combinations with C.A.O.
10.8-1	"	Hunter's Point Reclamation District: Treasurer-Controller Agreements.
10.46	"	Escheat of Funds Unidentified for Ten Years (Tax Collections)(See Government Code 50050-50053).
10.49-1 to 10.49-2	"	Destroyed or Lost Bond Coupons: Procedures.
10.50 to 10.56	"	Sale of Trust Securities (Authority; Price; Notice of Sale); etc.
10.79 to 10.83-7	"	FUNDS: Transfers of Funds; Creation of Special Funds; Deposits in Banks; Receipt of Funds; Revolving Funds; Warrants; Disapproved Disbursements; etc.
10.88	"	Cash difference Fund and Overage Fund: Procedures for Deficits and Overage.
10.100 to 10.103	War Memorial	War Memorial Reserve; Created; Purpose.
1.14 and 1.15	Weights and Measures, Sealer of	Scales; Sealing, and Scales of Peddlers and Hawkers.





PROCUREMENT PROCEDUREPURCHASE ORDERS - DETAILED PROCEDURES:

REQUISITIONS FOR PURCHASE ORDERS  
BIDS AND AWARDS  
DISTRIBUTION OF COPIES OF PURCHASE ORDERS  
REQUISITION DEPARTMENTS PERFORMANCES  
MATERIAL RECEIVED REPORTS  
DISCOUNTS

REQUISITION FOR PURCHASE ORDERS

Following are general directions for preparation of requisition for a Purchase Order, on forms designated by the Purchaser of Supplies, and pursuant to Charter Sections 20 and 88.

1. Supply - Requisition forms including "traveling requisitions" for recurring purchases will be supplied by the Purchaser on request. Check with the Purchasing Department and use separate style of requisition form which may be available for regular blanket monthly purchase orders.
2. Serial Numbers - Each department shall number its requisitions consecutively from July 1st of each year as they are issued.
3. Segregation - A separate requisition shall be drawn for each type of commodity requested. If the department is informed of the vendor from whom commodities will be purchased (from Term Proposals or otherwise) a separate requisition will be prepared for each vendor. Requisitions should be further segregated between proprietary items and items requiring bids.
4. Object of Expenditure ("O. E.") Numbers - The correct O. E. number shall be entered in the appropriate column of the requisition for each item, in accordance with the "Chart of Accounts" issued by the Controller. Such O. E.'s shall be checked by the Purchasing Department. All departmental records and O. E., statistics should be uniformly maintained. (Refer to Purchaser's revised O.E. set-up effective 7/1/65)
5. Items to be filled in by Department - Requisitioning Department shall fill out all spaces of the requisition except that, if the vendor is unknown or to be determined at a later time, the name, address, unit, price, discount and amount spaces shall be left blank.
6. Signature - Requisitions shall be signed by a departmental official whose authorized signature is on file with the Purchaser of Supplies. Charter Section 20 reads in part: "Powers and Duties of Department Heads."..."He shall issue or authorize all requisitions for the purchase of materials, supplies and equipment required by such department..."
7. Filing - Department's copy of requisition shall be filed as follows:
  - (A) Waiting Purchase Order - Requisitions will be filed in numerical order until Purchase Order is issued.
  - (B) Purchase Order Issued - Purchase Order Number, date and vendor's name will be entered on requisition opposite items ordered. When all items have been ordered, requisition will be filed numerically in "Purchase Order Issued" file.

REQUISITION FOR PURCHASE ORDERS - Continued

8. Requisitions for Equipment - Requisition for equipment and/or for certain materials and supplies involving special requirements, shall include all information requested by the Purchaser of Supplies in his annual instructions covering those procurements.
9. Requisitions Involving Accounting Procedures - Requisitions for printed accounting forms or accounting equipment (cash registers, bookkeeping machines, I.B.M., electronic data processing, or other accounting devices) shall be approved in advance by the Controller, pursuant to Charter Section 64. All fee tags, receipts, permits, licenses and other serially-numbered forms involving the collection or disbursement of money, shall be reported to the Controller for stationery control purposes.
10. Requisitions for Insurance - Insurance shall be purchased by the Purchaser of Supplies in accordance with the procurement procedure, Section 21.4 of the Administrative Code, on the basis of a requisition submitted by a department head and subject to availability of funds within the insurance program. (See Schedule "A").

BIDS AND AWARDS

Bids are solicited and awards made by the Purchaser in accordance with the Provisions of Charter Section 88 and 95; and Chapter 21 of the Administrative Code. Bids may be solicited on commodities requisitioned in the following manner:

1. Covered by Contracts - The Purchaser solicits bids to establish prices for a fiscal year or portion thereof for commodities which are regularly used in large quantities or which are in common use in several departments. Contracts are executed with successful bidders to furnish indefinite quantities of specified commodities at firm prices as required by departments. The names of vendors and contract prices are published by the Purchaser in "PROPOSALS" in which the various commodities are identified by an "item number". Separate "TERM PROPOSALS" are published for different classifications of merchandise. Each department should obtain from the Purchaser a copy of the TERM PROPOSALS covering commodities which may be needed by the department. A schedule of available TERM PROPOSALS is included under the subject "TERM PROPOSALS", hereafter presented.
2. Not covered by Contract - Subject to Bid - The Purchaser is required to solicit bids covering each requisition which is estimated to exceed the minimum in cost as established by the Purchaser and which is not of a proprietary nature. (Charter Section 88, Administrative Code Sections 21.1 to 21.13). Requisitions for such articles must contain full and exact specifications to facilitate bidding.
3. Proprietary Articles - In certain cases, the Purchaser of Supplies, with approval by the Chief Administrative Officer, may procure articles on a "proprietary" basis, in accordance with Charter Section 88, and Administrative Code Section 21.18.

DISTRIBUTION OF COPIES OF PURCHASE ORDERS

Each purchase order shows reference to its related Requisition number. A sufficient number of copies of each purchase order is prepared to satisfy the legal and accounting requirements of all departments and parties concerned. Generally, a maximum of eight copies of each purchase order is prepared and distributed as follows:

<u>Number of Copies</u>	<u>Identity of Copy</u>	<u>Procedure and Purpose</u>
1	Vendor's Copy	Controller certifies and returns to Purchaser for forwarding to the Vendor as his authorization.
1	Controller's Copy	Controller retains it's copy.
1	Purchasing Department's Copy	Retained by Purchaser. It aids assembling invoices with related Material Received Report and Remittance Advice.
1	Remittance Notice	Held by Purchaser and sent to Controller with related invoices and Material Received Report.
1	Material Received Report	Purchaser sends to Requisitioning Department. Requisitioning Department approves all deliveries, and returns it, with delivery tags, to the Purchaser who verifies and approves invoices and transmits: M.R. Report, Invoices, Delivery Tags and Remittance Advice to the Controller for audit and payment.
3	Requisitioning Department Copies	One copy received in advance. Second and third copies - for own divisions.

REQUISITIONING DEPARTMENTS' PERFORMANCE

The Requisitioning Department should process it's four copies of the Purchase Order (P.O., Including M.R.R.) in the following manner:

First Copy - Advance copy of the P.O. and should be:

1. Promptly checked by the department's accounting division against the related requisition and cross-indexed thereon.
2. Entered in the department's appropriation account.
3. In cases of available discounts, alert the receiving division concerned as to the importance of expediting all documents pertaining to said purchase order.

In the event of any discrepancy indicated from the advance copy of the P.O., the department should immediately advise the Purchasing Department and try to effect a correction in the best manner possible under the circumstances, depending upon whether or not the vendor's copy of the P.O. has been released and/or if any deliveries have been made.

REQUISITIONING DEPARTMENTS' PERFORMANCE - Continued

Second Copy - Should be sent to the receiving division and maintained chronologically as the department's official receiving report and record. On the basis of actual physical inspection, appropriate entry shall be made thereon and signed to the effect that the quality and quantities received are as specified on the P.O., with all deviations clearly recorded. Accurate recording will prevent duplicate reporting of goods received and overpayment to vendors.

The entries on the second copy will serve as the basis for entries to the Material Received Report (M.R.R.). Delivery tag numbers and dates should be noted on the back of said second copy, and any available second copies of delivery tags should be attached thereto.

In certain departments, where a store and perpetual inventory record is maintained by a member of the Purchasing Department, it may be advisable for internal control purposes to keep a Material Received Register in chronological sequence. In such cases, the Material Received Register will be maintained to cover specific locations mutually agreed upon by the Purchaser of Supplies and the Controller. Said Material Received Register shall include the following data for each delivery:

- |                           |   |
|---------------------------|---|
| (a) Date                  | (e) Unit                                |
| (b) Purchase Order Number | (f) Articles                            |
| (c) Vendor                | (g) Received by                         |
| (d) Quantity              | (h) Entered on Material Received Report |

Third Copy - The Requisitioning Department's third copy of the P.O. (not including M.R.R.) should be retained as their accounting division's official copy, together with the advance copy previously discussed.

Filing

Purchase Orders shall be filed so as to readily reveal the status thereof (i.e.: waiting delivery, merchandise or services received and transmitted for payment, awaiting warrant, warrant issued), and to enable the Department to maintain accurate records of all pertinent documents and deliveries.

Lost Documents

Occasionally a Purchase Order, Material Received Report or other copy of a P.O. is lost or misplaced by or between the various Departments. Under such circumstances, the Requisitioning Department shall request the Purchasing Department to prepare a duplicate of the missing document, using the same P.O. Number. Under no circumstances shall a new Requisition and Purchase Order be drawn, as this method may result in duplication of encumbrances and payment.

MATERIAL RECEIVED REPORT (M.R.R.)

The M.R.R. should be filled out by the employee responsible for receiving the goods or services and approved by the department head or his authorized representative, promptly returned with all related delivery tags to the Purchasing Department, particularly with reference to cash discount orders and single orders.

When vendors fail to submit a delivery tag or packing slip, the receiving department shall itemize each delivery on the reverse side of the M.R.R. filling in all particulars as provided for in the M.R.R. form.

DISCOUNTS

Purchasing Department follows the practice of:

1. Requiring bidders to include all proposed discount terms.
2. Printing terms of all available discounts on Purchase Orders.

Requisitioning Departments shall expedite the processing of material received reports and other documents on which a discount is allowed. The discount period will start upon date of completion of delivery of all items on any Purchase Order or upon date of receipt of invoices covering such deliveries, whichever is later.



## PROCUREMENT PROCEDURE

CENTRAL SHOPS, STOREROOMS, WAREHOUSES AND SERVICE DIVISIONS  
AVAILABLE TO CITY AND COUNTY DEPARTMENTSCENTRAL SHOPS - 800 Quint St.(except equipment under P.U.C.):

Here are the main operations performed in various sub-shops:

- (a) Passenger Car Shop - All passenger cars are maintained, or overhauled mechanically and new vehicles prepared for service.
- (b) Truck Shop - All trucks from pick ups to dump trucks are repaired, as are asphalt spreaders, compressor eductors, etc. New units are prepared for service.
- (c) Fire Apparatus Shop - Heavy fire apparatus is repaired, maintained, overhauled, rebuilt and prepared for service.
- (d) Machine Shop - A variety of machine tools are available for the maintenance, repair or manufacture of valves, pumps, hydrants, blowers and other mechanical devices. In addition to shop machinists, a crew of two service "outside" installations in Schools, Public Buildings, Pumping Stations, etc.

These main shops are aided by auxiliary shops such as the Body and Fender Shop, Paint Shop, Upholstery Shop, Battery Shop, Blacksmith Shop, Woodworking Shop, Hose Shop, Tire Shop and Storerooms. A service station provides complete service for most departments.

GOLDEN GATE PARK SHOP

Located in the maintenance area of Golden Gate Park provides a complete automotive, mower and mechanical repair service for the Recreation and Park Department. Gas and oil service is available to all departments.

HALL OF JUSTICE SERVICE STATION - 850 Bryant St.

Provides gas, oil, light maintenance and repair service to all Police cars. Gas and oil available to most City Departments. Open 7:30 a.m. to midnight, daily.

DEPARTMENT OF PUBLIC WORKS YARD - 2323 Army St.

Emergency or minor repairs provided D.P.W. units during day shifts. Gas, oil and service provided from - 7:00 a.m. to Midnight.

19th AVENUE DEPARTMENT OF PUBLIC WORKS STATION

Provides service, gas, oil, etc. to D.P.W. units stationed at this location. Provides gas and oil for other City Departments as required.

DEPARTMENT OF ELECTRICITY YARD - 901 Rankin St.

Provides service, gas, oil, etc. for Department of Electricity fleet and D.P.W. traffic Signal maintenance Plant.

HEALTH DEPARTMENT GARAGE

Provides automotive service to Health Department fleet garaged in basement.

RICHMOND-SUNSET SEWAGE PLANTNORTH POINT SEWAGE PLANT

Maintenance service provided in each of these plants by a permanently assigned machinist.

## SCHEDULE "E"

### THE BUREAU OF SHOPS

Maintains facilities to provide complete mechanical and automotive services to the various City Departments within the limits of available manpower and budgeted funds.

### STOREROOMS AND YARDS

Maintained by purchasing department, and includes Bureau of Equipment and Supplies.

#### Municipal Railway:

24th & Utah Store, with 2 sub-stores  
Kirkland Yard & Ocean Garage  
General Store, 575 Ocean Ave.  
Elkton Yard, 575 Ocean Ave.  
Potrero Store, 17th & Bryant, with  
one sub-store  
Washington & Mason

Bus & auto Parts  
Street Car & misc. parts,  
Rail, Ties, Steel, etc.  
Trolley Coach parts  
Cable Car parts

#### Water Department:

1990 Newcomb St. (Yard)  
Pipe yard, University Mound  
Hetch Hetchy, Moccasin, Calif.  
S.F. Airport, So. San Francisco  
Central Warehouse, 15th & Harrison  
  
Central Warehouse Yard-1849 Harrison  
Dep't. of Public Works-2323 Army St.  
  
Dep't. of Electricity-901 Rankin St.  
Recreation & Park

Pipe fittings & Misc.  
Materials.  
Pipe  
High Line Mat. & Misc.  
Electric Mat., Paint  
Stationery, Janitorial  
Supplies, Canned food.  
Pipe & sewer Materials.  
Hardware, electrical  
material, Paints, etc.  
Electrical & misc. mat.  
Grain, Recreational  
Materials, Janitorial sup.  
Food & misc. supp.

#### Sheriff (2 stores)

Central Shop - 800 Quint St. & Sub-  
store at Hall of Justice Garage

Auto & motorcycle parts.

#### Health Department:

San Francisco Hospital-22nd & Potrero  
Laguna Honda Home-7th & Dewey  
Hassler Health Home, Redwood City

Food & operation mat.  
" " "  
" " "

#### Public Welfare Department:

Single Men's Rehabilitation Center  
Redwood City, Calif.

Food & operating Supp.

The Purchaser's Reproduction and Tabulating Bureaus performs contractual services as follows:

#### Reproduction Bureau: (Room 50 - City Hall)

Blueprinting;	Ditto;
Photography;	Microfilm;
Photostat;	Ozolid;
Mimeograph;	Off-set printing

### I. B. M. (CENTRAL TABULATING BUREAU)

Electronic Data Processing (EDP) Study - Amounts have been appropriated in Annual Appropriation Ordinance in Controller's Account x.123.954.000 Electronic Data Processing. Pursuant thereto, a number of employees of the Controller's Office and from other departments have been assigned to determine the feasibility of applying "EDP" to various specific applications.

(Central E.D.P. Complex - Room 65 - City Hall)



PROCUREMENT PROCEDURES  
ADMINISTRATIVE CODE PROVISIONS  
CONTRACT PROCEDURE-SECTIONS 6.1 THRU 6.53  
PURCHASING PROCEDURE-SECTIONS 21.1 THRU 21.33  
AS THEY EXIST JUNE 30, 1966

CONTRACT PROCEDURE

SEC. 6.1 BIDDING REQUIRED ON CONTRACTS EXCEEDING FIVE THOUSAND DOLLARS; TIME FOR BIDDING.

The several department heads and officers empowered by law to enter into contracts on the part of the City and County for public work or improvements to be performed at the expense of the City and County, or to be paid out of moneys deposited in the treasury, or out of trust moneys under the control or collected by the City and County, when the expenditure involved shall exceed the sum of five thousand dollars, shall let such contract to the lowest reliable and responsible bidder at any time not less than ten days after the last date of publication or more than twenty days after receipt of bid unless the time for letting such contract be extended by resolution of the Board of Supervisors upon the recommendation of the department head, board or commission responsible for such award.

SEC. 6.2 LETTING OF CONTRACTS FOR DEMOLITION OF CITY-OWNED BUILDINGS.

The director of property shall be the department head empowered to award all contracts, subject to the provisions of this chapter, for the demolition and razing of all city-owned buildings which have little or no salvage value and which must be destroyed in order to effectuate a public improvement. (Ord. No. 6330 (1939) Sec. 1.)

SEC. 6.3 ACCEPTANCE OF OTHER THAN LOWEST BIDS; REPORTS.

If the officer or department head empowered to award a contract exceeding five thousand dollars believes that the public interest would be best served by accepting other than the lowest gross price or unit cost bid, and the contract is entered into with another bidder, written report shall be made immediately to the Chief Administrative officer, the Mayor and the Controller by the office authorized to execute the contract with the reasons for failure to accept such lowest bid.

SEC. 6.4 QUALIFYING AWARDS OF CONTRACT REQUIRING FEDERAL AGENCY APPROVAL.

Whenever a department head, board or commission has advertised for bids under this chapter and the performance of the work is dependent upon the approval of any federal agency and such approval has not been received at the time of making the award of contract, the department head, board or commission shall in making the award of contract as provided in sections 6.1 and 6.3 of this Code, qualify the award of contract as follows:

"This award of contract shall be subject to all of the laws, rules, regulations and provisions of the United States Government or any of its agencies, and in the event the award of contract may be found to be in conflict therewith, no liability shall attach to the City and County of San Francisco, its officers, boards or commissions. If within sixty days of the award of contract, permission is not granted by the Federal agency to proceed with the work, the responsible department head, board or commission shall cancel the award of contract and there shall be no liability upon the City and County of San Francisco by reason of the cancellation of said award of contract." (Ord. No. 9046 (1939) Sec. 3.)

CONTRACT PROCEDURE - Cont'd.SEC. 6.5 COMPARISON OF BIDS ON BASIS OF TIME OF COMPLETION;  
NOTICE OF AWARD TO BE PUBLISHED.

The department head concerned is authorized to compare bids on the basis of time of completion, and any contract awarded in consideration, in whole or in part, of the relative time estimate of bidders for completion of the work, shall be subject to the provisions of section 97 of the Charter. Notice of award shall be published. (Ord. No. 4792 (1939) Sec. 4.)

## SEC. 6.6 ALTERATIONS, MODIFICATIONS, ETC., INCREASING OR DECREASING PRICE; EXCESS COST ON UNIT COST BASIS.

(a) Increasing contract price. Alterations, modifications or extras in any contract, which will increase the contract cost, may be made or allowed only on the written recommendation of the department head responsible for the supervision of the contract, together with the approval of the chief administrative officer or the board or commission, as the case may be, and also the approval of the controller, stating the increased price to be paid by reason thereof.

(b) Decreasing contract price. Allowances, modifications or credits in any contract which will decrease the contract cost may be made or allowed only upon recommendation of the department head responsible for the supervision of the contract, together with the approval of the chief administrative officer or board or commission, as the case may be, and also the approval of the controller, stating the amount to be deducted from the amount to be paid under the contract.

(c) Unit cost basis. In the performance of any contract awarded on the unit and the unit cost basis, if the department head concerned ascertains that the amount of work done or to be done shall exceed the estimated amount of the contract by ten per cent or more, the excess cost shall be provided for as prescribed by section 80 of the Charter, relative to supplemental appropriations. (Ord. No. 4792 (1939) Sec. 6.)

## SEC. 6.7. GRANT OF EXTENSION IN TIME; EXTENSIONS TO BE IN WRITING.

The awarding officer, board or commission may extend the time for completion of the work under a contract, upon the awarding officer, board or commission finding that such work cannot be completed within the specified time because of an unavoidable delay, as restricted in this chapter. Such extensions shall be in writing, but in no event shall any extension be granted subsequent to the issuance of a certificate of final acceptance. (Ord. No. 9484 (1939) Sec. 1.)

## SEC. 6.8. CONTRACTOR TO GIVE NOTICE OF DELAY; NOTICE TO CONSTITUTE APPLICATION FOR EXTENSION.

The contractor shall promptly notify the awarding officer, board or commission, in writing, of all anticipated delays in the prosecution of the work and, in any event, promptly upon the occurrence of a delay, the notice shall constitute an application for an extension of time only if the notice requests such extension and sets forth the contractor's estimate of the additional time required, together with a full recital of the causes of unavoidable delays relied upon. The awarding officer, board or commission may take steps to prevent the occurrence or continuance of the delay, may classify the delay as avoidable or unavoidable and may determine to what extent the completion of the work is delayed thereby. (Ord. No. 9484 (1939) Sec. 1.)

## SEC. 6.9. DELAYS DEEMED UNAVOIDABLE.

Unavoidable delay is an interruption of the work beyond the control of a contractor and which interruption the contractor could not have avoided by the exercise of care, prudence, foresight and diligence.

CONTRACT PROCEDURE - Cont'd.

Such delays include and are limited to acts of God; acts of the public enemy; adverse weather conditions; fires; floods; windstorms; tornadoes; wars; riots; insurrections; epidemics; quarantine restrictions; strikes; lockouts; sitdowns; slowdowns; other labor trouble; labor shortages; inability of contractor to procure labor; material shortages; inability of contractor to procure material; fuel shortages; freight embargoes; accidents; acts of a governmental agency; priorities or privileges established for the manufacture, assembly or allotment of materials by order, decree or otherwise of the United States or by any department, bureau, commission, committee, agent or administrator of any legally constituted public authority; changes in the work ordered by the contracting officer, board or commission insofar as they necessarily require additional time in which to complete the entire work; the prevention by the city and county of a contractor from commencing or prosecuting the work; the prevention of a contractor from commencing or prosecuting the work because of the acts of others, excepting the contractor's subcontractors; the prevention of a contractor from commencing or prosecuting the work because of the failure of the city and county to furnish the necessary materials, when required by the terms of a contract and when requested by the contractor in the manner provided in the contract; and, inability to procure or failure of public utility service. The duration of unavoidable delays shall be limited to the extent that the commencement, prosecution and completion of the work are delayed thereby, as determined by the awarding officer, board or commission. (Ord. No. 9484 (1939) Sec. 1.)

#### SEC. 6.10 EXTENSION OF TIME FOR DELAYS NOT STATED IN PRECEDING SECTION.

Upon the recommendation of the awarding officer, board or commission, the board of supervisors may provide by resolution for extensions of time relating to specific contracts for causes other than those stated in the preceding section which the contractor could not have avoided by the exercise of care, prudence, foresight and diligence. (Ord. No. 9484 (1939) Sec. 1.)

#### SEC. 6.11. AVOIDABLE DELAYS IN COMPLETING CONTRACTS.

Avoidable delays in the prosecution or completion of any work shall include:

- (a) All delays which could have been avoided by the exercise of care, prudence, foresight and diligence on the part of the contractor.
- (b) Delays in the prosecution of parts of the work, which may in themselves be unavoidable, but do not necessarily prevent or delay the prosecution of other parts of the work, nor the completion of the whole work within the time specified.
- (c) Reasonable delays resulting from time required by the city and county for approval of plans submitted by the contractor and for the making of surveys, measurements and inspections.
- (d) Delays arising from interruptions occurring in the prosecution of the work on account of the reasonable interference from other contractors employed by the city and county, which do not necessarily prevent the completion of the whole work within the time specified. (Ord. No. 9484 (1939) Sec. 1.)

#### SEC. 6.12. TIME EXTENSION NOT WAIVER OF CITY'S RIGHTS.

The granting of an extension of time because of unavoidable delays shall in no way operate as a waiver on the part of the city and county or the awarding officer, board or commission of the right to collect liquidated damages for other delays or of the right to collect other damages or of any other rights to which the city and county is entitled. (Ord. No. 9484 (1939) Sec. 1.)

CONTRACT PROCEDURE - Cont'd.SEC. 6.13. LIQUIDATED DAMAGES.

Any contract may provide a time within which the contract work, or portions thereof, shall be completed and may provide for the payment of agreed liquidated damages to the city and county for every calendar or working day thereafter during which such work shall be uncompleted.

The execution of a contract by a contractor shall constitute acknowledgment by the contractor that he understands, has ascertained and agrees that the city and county will actually sustain damages to the amount fixed in the contract for each and every calendar or working day during which the completion of the work required shall be delayed beyond the expiration of the time fixed for such completion or such extensions of such time as have been allowed pursuant to the provisions of this chapter.

There shall be deducted from any money due or to become due to the contractor subsequent to such time for completion of the entire work and extensions of time allowed pursuant to the provisions of this chapter, a sum representing the then accrued liquidated damages.

Such deduction shall be considered not as a penalty but as the agreed monetary damage sustained by the people of the city and county because the contractor failed to perform and complete the work within the time fixed for completion or such extensions of such time as have been allowed pursuant to the provisions of this chapter.

Should the money due or to become due to the contractor be insufficient to cover such agreed liquidated damages, then the contractor forthwith shall pay the remainder to the city and county. (Ord. No. 9484 (1939) Sec. 1.)

SEC. 6.14. CITY WILL NOT PAY DAMAGES FOR DELAYS.

No damages or compensation of any kind shall be paid to a contractor because of delays in the progress of the work, whether such delays be avoidable or unavoidable. (Ord.No. 9484 (1939) Sec. 1.)

SEC. 6.15. NO EXTENSIONS GRANTED WHEN CONTRACT BASED ON TIME ESTIMATES; EXCEPTIONS.

When any award of contract has been made in consideration, in whole or in part, of the relative time estimates of bidders for the completion of the work, the provisions of sections 6.9, 6.10 and 6.11 of this Code shall not apply and no extension of time may be granted on such contract beyond the time specified for completion, unless the liquidated damages for each day the work is uncompleted beyond the specified time shall be collected; provided, however, that this shall not apply to unavoidable delays due to act of God. (Ord. No. 9484 (1939), Sec. 1.)

SEC. 6.16. SECTIONS 6.7 to 6.15 OF THIS CODE TO BE INCORPORATED IN ALL CONTRACTS, ETC. FOR PUBLIC WORK.

The provisions of sections 6.7 to 6.15 of this Code shall be included in every contract or specification for every public work or improvement, as public work or improvement is defined in Ordinance No. 9,0923 and Part II, Chapter X, Article 3, Section 75 of the San Francisco Municipal Code, whenever such contract and the published notice soliciting sealed bids therefor provide for liquidated damages to the city and county for every day during which the contract is uncompleted beyond a specified time. (Ord. No. 9484 (1939), Sec. 1.)

**SEC. 6.17. CONTRACT MAY PROVIDE THAT UNAVOIDABLE DELAYS SHALL NOT APPLY.**

The awarding officer, board or commission may provide in any particular contract, using specific language, that interruption of the work due to one or more of the causes of unavoidable delays set forth in section 6.9 of this Code is not a cause of an unavoidable delay under that particular contract. The awarding officer, board or commission may also provide in any contract that one or more causes of unavoidable delay set forth in section 6.9 of this Code shall be restricted to circumstances specified in the contract. (Ord. No. 9484 (1939), Sec. 1.)

**SEC. 6.18. REJECTION OF BIDS; EXECUTION OF WORK BY CITY.**

The department head, with the approval of the chief administrative officer, or the department head, with the approval of the board or commission to which he is responsible, may reject any and all bids and readvertise for bids. When bids have been invited pursuant to the required procedure and no bid is received, or where all bids received are for the same total amount or unit price, the department head, with the approval of the chief administrative officer, or the department head, with the approval of the board or commission to which he is responsible, may order the related work to be executed in the most expeditious manner; provided, however, that the price paid for such work shall not exceed any bid price received for the same work. (Ord. No. 6600 (1939), Sec. 1.)

**SEC. 6.19. SURETY BOND, ETC. TO ACCOMPANY BID; NOTICE INVITING BID; FORM OF BIDS.**

In any case, when the expenditure for the construction, reconstruction or repair of public buildings, streets, utilities or other public works or improvements shall, as estimated by the department head, exceed the sum of five thousand dollars and bids referred to by this chapter shall be sealed, directed to the department head or officer calling the bids, and shall be accompanied by a corporate surety bond or by a certified check on a solvent bank of the state, payable on sight to the City and County, the amount of which corporate surety bond or certified check shall be fixed by the department head or officer and stated in the advertisement, which amount shall not be less than ten per cent of the amount bid for the cost of the proposed work of improvement, and no proposal shall be considered unless accompanied by such bond or check.

Notices inviting sealed bids under the conditions of this section must be published for two consecutive days in the official newspaper, and at least five calendar days must intervene between the date of the last publication and the time for filing such sealed bids or proposals. Such notices shall state in general terms the conditions of the proposed contract and if progressive payments are to be provided under any contract in accordance with section 96 of the Charter, or if any contract is to be let on the basis of a gross price or cost per unit of work to be performed or on the basis of time of completion, with liquidated damages for every day during which the contract is uncompleted beyond such specified date in accordance with section 97 of the Charter, such notice shall so state. Each advertisement for bids shall contain the reservation of the right to reject any and all bids.

All bids shall be filed on forms furnished by the department head concerned, and all bids not so filed shall be rejected. All bids received as herein provided shall be publicly opened by the proper department head or officer at the time and place to be stated in the advertisement for proposals, and after tabulation, bidders may inspect the accepted low bid. Bids with alterations or erasures therein shall be rejected. When specifications do not include alternative proposals, statements or communications accompanying bids which serve to qualify such bids shall not be considered in making awards, and will disqualify bidders.

CONTRACT PROCEDURE - Cont'd.**SEC. 6.20. SURETY BOND REQUIREMENTS FOR PUBLIC WORKS' CONTRACTS; APPROVAL BY CONTROLLER; FAILURE TO FILE BOND.**

Before the execution of any contract for public works or improvements, the department head or officer authorized to enter into such contracts shall require the successful bidder to file corporate surety bonds for the faithful performance thereof and to guarantee the payment of wages for services engaged and of bills contracted for material, supplies and equipment used in the performance of the contract. The bond shall be for a sum not less than fifty per cent of the award.

The Controller shall approve the sufficiency and qualifications of all sureties as required under the provisions of this chapter.

If any bidder to whom the contract is awarded under the provisions of this chapter shall for ten days after such award fail or neglect to enter into the contract and file the required bond, the department head or officer in whom authority to execute the contract is vested shall deposit the corporate surety bond or certified check referred to in section 6.19 of this Code with the treasurer for collection and the proceeds thereof shall be retained by the City and County as liquidated damages for the failure of such bidder to enter into such contract, unless upon recommendation of the department head or officer authorized to execute the contract, together with the approval of the chief administrative officer, board or commission, the board of supervisors, by resolution, approves the return of such bond or check. (Ord.No. 4792 (1939)Sec.1.)

**SEC. 6.21. CITY TO BE SAVED HARMLESS FROM DAMAGES, COSTS, INFRINGEMENT ON PATENT RIGHTS, COPYRIGHTS,ETC., EXCEPTIONS AS TO AIRPORT LIGHTING SYSTEM.**

Each contractor must save, keep, bear harmless and fully indemnify the city and county and any of its officers or agents from all damages or claims for damages, costs or expenses in law or equity that may at any time arise or be set up for any infringement of the patent rights, copyright or trademark of any person in consequence of the use by the city and county, or any of its officers or agents, of articles to be supplied under the contract and of which the contractor is not the patentee or assignee or has not the lawful right to sell the same; except, at the option of the department head concerned and with the approval of the city attorney and the chief administrative officer, board or commission concerned, any contractor may be exempted from the provisions of this section in consequence of the use of the installation of projectors for a high intensity airport lighting system for the landing and takeoff of aircraft if such system is in accordance with the requirements of the specifications of the United States of America in projects wherein federal funds are granted and used; and provided, that funds are available and have been set aside by the Controller to meet any liability which may exist in connection with such installation. (Ord. No. 5918 (1939, Sec. 1.)

**SEC. 6.22 ARTICLES NOT TO BE PRISON MADE; ASSIGNMENT OF CONTRACTS.**

No article furnished under any contract made under the provisions of this chapter shall have been made in a prison or by convict labor. No contract shall be assigned except upon the recommendation of the department head concerned and with the approval of the chief administrative officer, relative to the departments under his jurisdiction, or the approval of the board or commission concerned for departments not under the chief administrative officer. (Ord. No. 4792 (1939), Sec. 11.)

## SEC. 6.23. INVESTIGATION OF BIDDER'S QUALIFICATION.

The officer responsible for the awarding of any contract shall require from all bidders information concerning their experience and financial qualifications, as provided by general law relative to such investigations authorized by the director of public works, and shall take such information into consideration in the award of any contract. (Ord. No. 4792 (1939), Sec. 12.)

## SEC. 6.24. CONTRACTS TO BE IN TRIPPLICATE; DISPOSITION OF COPIES.

All contracts, extras and credits shall be executed in triplicate; the original to be retained by the officer or department head making the award; one copy to be filed with the controller and one copy to be given to the contractor. (Ord.No. 4792 (1939), Sec. 13.)

SEC. 6.25. DISQUALIFICATION OF IRRESPONSIBLE CONTRACTORS;  
EFFECT OF DISQUALIFICATION.

Any contractor who fails to live up to the terms of his contract may by the joint action of the head of the department concerned and the controller be declared an irresponsible contractor and shall not for a period of one year be awarded any further contract, unless on the joint action of the head of the department concerned and the controller such disqualification is removed. (Ord. No. 4792 (1939), Sec. 14.)

## SEC. 6.26. BIDS BY CITY DEPARTMENTS.

Appropriate city and county departments may file sealed bids for the execution of any work to be performed under a contract and shall not be required to furnish security or submit information relative to financial qualifications as provided in this chapter. Any bid submitted by a department of the city and county, if it is the lowest bid, must be approved by the controller before the award of contract. If the bid of a city and county department, as investigated and approved by the controller, is the lowest, the contract shall be awarded to the department and accurate unit costs shall be kept of all direct and indirect charges incurred by the department under any such contract, which unit costs shall be reported to and audited by the controller monthly and on completion of the work; provided, that in the execution and performance of any contract awarded to a city department under the provisions of section 95 of the Charter, not less than the wage scale fixed by the board of supervisors in the prevailing wage resolution in effect at the time of the award of the contract shall be paid to employees performing work under such contract. (Ord. No. 4792 (1939), Sec. 15.)

SEC. 6.27 INSPECTION AND ACCEPTANCE OF COMPLETED WORK; ACCEP-  
TANCE IN WRITING CONSTITUTES AUTHORITY TO PAY

The department head authorized to award any contract for public works or improvements shall be responsible for the inspection and acceptance of such work on completion. Such acceptance shall be in writing and shall include the certificate of the department head concerned that the work covered by the contract has been fully and satisfactorily completed in accordance with the plans and specifications therefor. Receipt of copy of such acceptance in writing shall constitute the controller's authority to complete any payments due the contractor under the contract; provided, that the controller may make such additional investigation or inspection as is provided by section 85 of the Charter. (Ord. No. 4792 (1939), Sec. 16.)

**SEC. 6.28. AUTHORIZATION AND PERFORMANCE OF WORK COSTING LESS THAN FIVE THOUSAND DOLLARS.**

Generally. Any construction, reconstruction or repair of public buildings, streets, utilities or other public work or improvement estimated to cost less than five thousand dollars may be performed under contract or written order by the employment of the necessary labor and purchase of the necessary materials and supplies directly by the City and County. Any public work or improvement executed by the City other than routine repair work shall be authorized by the Chief Administrative Officer or by the heads of the department not under the Chief Administrative Officer only after detailed estimates have been prepared and submitted by the head of the department concerned. Any public work or improvement costing less than five thousand dollars and not performed by the use of city and county labor, materials and supplies shall, if not performed under contract, be covered by written order or agreement, which shall be based on not less than three bids, notice of which shall be given by three days' posting.

Unit cost to be determined. It shall be the duty of the controller to determine, where practicable, the unit cost of work done by the City and County for the purpose of determining whether similar work could be done under public contract at a lower cost.

Records and Approval. The controller shall maintain records of bids filed by departments in relation to the total direct and indirect cost of each such work and shall report thereon periodically to the Mayor and Chief Administrative Officer. The Controller may refuse to approve contracts with a department shown to be repeatedly underbidding on contract work and failing to complete same within the contract price. (Ord. No. 123.65)

**SEC. 6.29. DEPARTMENT HEAD MAY SIGN CONTRACTS UNDER FIVE THOUSAND DOLLARS; APPROVAL AND CERTIFICATION OF CONTRACTS EXCEEDING FIVE THOUSAND DOLLARS.**

The department head shall have the power to sign any contract when the estimated expenditure thereunder is not in excess of five thousand dollars. Any contract involving the expenditure of over five thousand dollars shall require the joint approval of the department head and the Chief Administrative Officer, relative to departments under his jurisdiction, or the signature of the department head and the approval by resolution of the board or commission concerned for departments not under the Chief Administrative Officer; provided that no obligation involving the expenditure of money shall be incurred unless certification of the Controller is first obtained in accordance with section 86 of the Charter. (Ord. No. 123.65)

**SEC. 6.30. EMERGENCY REPAIRS AND WORK.**

The board of supervisors hereby declares that in an actual emergency by weather conditions, fire, flood or other unforeseen conditions of unusual character, or the breakdown of any plant, equipment, structure, street or public work, necessitating immediate emergency repair or reconditioning to safeguard the lives or property of the citizens or the property of the city and county or to maintain the public health or welfare, and including the installation, repair, construction and alteration of crossings and switch work and special work in connection therewith, at street and other railway crossings and at street intersections, when the same is to be done by or for the Municipal Railway, and including the installation, repair, construction and alteration of the fire alarm, police communication and traffic signal systems, when the same is to be performed by or for the department of electricity, and including the work of making connections, installing gate valves, installing or transferring services and performing such other work therewith



CONTRACT PROCEDURE - Cont'd.

to existing water pipes, when the same is to be done by or for the San Francisco water department, and when such work will leave one or more hydrants or water consumers without water, such repair, reconditioning or other emergency work may be executed in the most expeditious manner by the department head responsible therefor, who shall, if the emergency permits, first secure the approval in writing of the chief administrative officer, if the emergency work is to be done or ordered by any department under his jurisdiction, or for the departments not under the chief administrative officer, the approval in writing of the president of the board or commission concerned or of the Mayor. If the emergency does not permit such approval to be obtained before work is commenced, such approval as hereinabove mentioned shall be obtained as soon thereafter as it is possible to do so.

The department head concerned shall notify the Controller immediately of the work involved and the estimated cost thereof. (Ord. No. 7858 (1939), Sec. 1.)

## SEC. 6.31. PREFERENCE FOR LOCAL MANUFACTURERS AND INDUSTRY.

Whenever any preferential in favor of local manufacturers or industry is provided by state law or ordinance or resolution of the board of supervisors, the same shall apply to contracts under this chapter. (Ord. No. 4792 (1939), Sec. 19.)

## SEC. 6.32. CHAPTER NOT APPLICABLE TO WORK PAID FOR BY ASSESSMENT OF PRIVATE PROPERTY.

This chapter does not affect or apply to street improvement work or to other public work, the cost or expense of which is or will be assessed in whole or in part against private property. (Ord. No. 4792 (1939), Sec. 20.)

## SEC. 6.33. APPLICABILITY OF SECTION 98 OF CHARTER.

All the terms and provisions of section 98 of the Charter shall be applicable to and become a part of any and all contracts entered into pursuant to the terms and provisions of this chapter. (Ord. No. 4792 (1939), Sec. 21.)

## SEC. 6.34. RULES AND REGULATIONS.

Pursuant to Section 98 of the Charter the following regulations are made and adopted relative to contracts for public work or improvements, exclusive of purchases, which are to be performed at the expense of the City and County of San Francisco or the costs of which are paid out of moneys deposited in the Treasury of said city and county.

## SEC. 6.35. CHARTER AND STATE LAW REGARDING MATERIAL SHALL BE A PART OF EVERY CONTRACT.

Every contract for every public work or improvement performed at the expense of the City and County of San Francisco, or the cost of which is paid for out of moneys deposited in the Treasury of said city and county, whether such work or improvement is to be done directly under contract awarded or indirectly by or under subcontract, subpartnership, day labor, station work, piece work, or any other arrangement whatsoever, shall contain, in addition to the provisions hereinafter set forth, all and singular, the conditions contained in Section 98 of the Charter as well as the terms and conditions of Article 1, Chapter 4, Division 5, Title 1, of the Government Code of the State of California; provided, however, that the requirement for American manufacture set forth in said Government Code provisions shall not apply in any instance where enforcement thereof would conflict with any law to which the said Government Code provisions are subordinate.

CONTRACT PROCEDURE - Cont'd.**SEC. 6.36. DEFINITIONS OF "PUBLIC WORK" AND "IMPROVEMENT."**

The term "public work" or "improvement" as used in this Article shall include any public work or improvement to be done for or performed by the City and County of San Francisco where the cost thereof is to be paid out of moneys deposited in the Treasury of said city and county and shall also include all parts of said public work or improvement which are especially made, wrought, constructed or prepared to become a part of, or to be attached to, said public work or improvement as a part thereof, when the same are made, wrought, constructed or prepared, according to plans and specifications, details or drawings prepared or used for the construction of said public work or improvement, irrespective as to whether said parts are made, wrought, constructed or prepared at the place where said public work or improvement is being erected or constructed or at any other place and any arrangement made or entered into by the contractor with any other person for the furnishing of any part of said public work or improvement to be made, wrought, constructed or prepared in accordance with said plans, specifications, details or drawings shall be deemed to be a subcontractor.

**SEC. 6.37. PREVAILING WAGE RATE PROCEDURE.**

It shall be the duty of the Board of Supervisors, from time to time, and at least once during each calendar year to fix and determine the highest general prevailing rate of wages paid in private employment in the City and County of San Francisco as said terms are used in Section 98 of the Charter, including such rate of wages paid for overtime and holiday work, which said highest general prevailing rate of wages shall be fixed and determined as follows:

When said highest general prevailing rate of wages is to be fixed, the Civil Service Commission shall, on request of the Board of Supervisors, furnish to said Board of Supervisors data as to the highest general prevailing rate of wages of the various crafts and kinds of labor as paid in private employment in the City and County of San Francisco, including said wages for overtime and holiday work, and the Board of Supervisors shall upon receipt of such data, fix and determine the highest general prevailing rate of wages for said various crafts and kinds of labor as paid for similar work in the City and County of San Francisco in private employment, and such highest general prevailing rate of wages as so fixed and determined by said Board of Supervisors shall remain in force and shall be deemed to be the highest general prevailing rate of wages paid in private employment for similar work, until the same is changed by said Board of Supervisors.

In determining the highest general prevailing rate of wages, as provided in this section, the Board of Supervisors shall not be limited to the consideration of data furnished by the Civil Service Commission, but may consider such other evidence upon the subject as said Board shall deem proper and thereupon base its determination upon any or all of the data or evidence considered.

**SEC. 6.38. SPECIFICATIONS TO INCLUDE WAGE RATE.**

The officer, board or commission authorized to let or enter into any contract for any public work or improvement mentioned in Section 6.35 of this Article shall include in the specifications setting forth the terms and conditions for the performance of said contract a detailed statement of such highest general prevailing rate of wages, including said wages for holiday and overtime work, as determined by said Board of Supervisors for the several kinds of labor to be used or employed in the performance of said contract, and the contractor to whom said contract is awarded, shall agree in said contract to pay to all persons performing labor in and about the public work or improvement provided for in said contract, and said highest general prevailing rate of wages as set forth in said specifications,

CONTRACT PROCEDURE - Cont'd.

including said wages for holiday and overtime work.

## SEC. 6.39. SUBCONTRACTORS BOUND BY WAGE PROVISIONS.

Every contract for any public work or improvement shall also contain a provision that the contractor shall insert in every subcontract or other arrangement which he may make for the performance of any work or labor on said public work or improvement described in said original contract, a provision that said subcontractor shall pay to all persons performing labor or rendering service under said subcontract or other arrangement the highest general prevailing rate of wages as fixed and determined by said Board of Supervisors for said labor or services.

## SEC. 6.40. RECORDS TO BE KEPT BY CONTRACTORS AND SUBCONTRACTORS.

Every contract or subcontract provided for in Section 6.35 of this Article shall contain a provision that the contractor shall keep, or cause to be kept, an accurate record showing the name, place of residence, citizenship, occupation and per diem pay, of each person engaged in the execution of said contract, and every subcontractor who shall undertake the performance of any part of said original contract shall keep a like record of each person engaged in the execution of said subcontract. All of said records shall at all times be open to the inspection of and examination of the duly authorized officers and agents of the City and County of San Francisco.

## SEC. 6.41. NONCOMPLIANCE WITH WAGE PROVISIONS VOIDS CONTRACT - PENALTY.

Any contract or subcontract for any public work or improvement mentioned in Section 6.35 of this Article which does not comply with the provisions of this Article shall be null and void and no recovery shall be had thereon, and any officer, board or commission who shall sign, execute or approve any such contract shall be deemed guilty of misfeasance in office.

## SEC. 6.42. PENALTY AND FORFEITURE ON FAILURE OF CONTRACTOR TO PAY SUCH WAGE - ENFORCEMENT.

Any contractor or subcontractor who shall fail or neglect to pay to the several persons who shall perform labor under any contract, subcontract or other arrangement on any public work or improvement specified in Section 6.35 of this Article the highest general prevailing rate of wages as fixed by the Board of Supervisors under authority of this Article, shall forfeit, and in the case of any subcontractor so failing or neglecting to pay said wage, the original contractor and the subcontractor shall jointly and severally, forfeit to the City and County of San Francisco the sum of Ten Dollars (\$10.00) per day for each laborer, workman or mechanic employed for each calendar day or portion thereof, while they shall be so employed and not paid said highest general prevailing rate of wages, and it shall be the duty of the officer, board or commission under whose jurisdiction said public work or improvement is being carried on, made or constructed, when certifying to the Controller any payment which may become due under said contract, to deduct from said payment or payments the total amount of said forfeiture provided for in this section, and the Controller, in issuing his warrant for any such payment, shall deduct from the amount which would otherwise be due on said payment or payments the amount of said forfeiture or forfeitures as so certified.

SEC. 6.43. HOURS AND DAYS OF LABOR.

For the purpose of meeting prevailing conditions and enabling employers to secure a sufficient number of satisfactory workers and artisans, no person performing labor or rendering service in the performance of any contract or subcontract for any public work or improvement mentioned in Section 6.35 of this Article shall perform labor for a longer period than forty (40) hours per week, or five (5) days of eight (8) hours each, except in those crafts in which a shorter work day now prevails by agreement in private employments. Any contractor or subcontractor who shall violate any of the provisions for this section shall be liable for the same penalties and forfeits as those specified in Section 6.42 of this Article for each laborer, mechanic or artisan employed for each calendar day or portion thereof whereon such laborer, mechanic or artisan is compelled or permitted to work more than the days and hours specified herein. The provisions of this section shall be made a part of all contracts and subcontracts for the construction of any public work or improvement.

SEC. 6.44. CONTRACTS OUTSIDE CITY AND COUNTY.

In the event that any public work or improvement is to be constructed outside of the City and County of San Francisco, and at such a distance therefrom that those engaged in performing labor on said public work or improvement must under ordinary conditions remain at or near the site of said work or improvement when not actually engaged in the performance of labor thereon, then in that event the officer, board or commission responsible for the construction of said public work or improvement may, in making specifications or letting contracts therefor, make provision therein for days and hours of labor beyond the limitations provided for in Section 6.43 of this Article, but not to exceed eight (8) hours in any one (1) calendar day, or six (6) days in any calendar week. In the event that emergency conditions shall arise, making a change advisable during the performance of any such contract, or any portion thereof, the hours and days of labor may be extended beyond the limits hereinabove expressed, but not to exceed eight (8) hours per day, upon the written authority of the officer, board or commission awarding such contract. Failure of the contractor to perform in his contract within the time provided shall not constitute an emergency.

SEC. 6.45. ADDITIONAL PENALTY-IRRESPONSIBLE CONTRACTORS-DISQUALIFICATION.

In addition to any other penalties herein provided, for the violation of this Article or for the failure of any contractor or subcontractor to abide by the rules and regulations herein contained, any contractor or subcontractor violating the provisions of this Article, or failing to abide by the rules and regulations herein set forth, shall be declared an irresponsible bidder by the officer, board or commission responsible for said public work or improvement and shall not, for a period of five (5) years thereafter, be allowed to act as a contractor or subcontractor on any public work or improvement for the City and County of San Francisco. The contract of any such person may, at the option of the awarding officer, board or commission, be canceled and in the event of such cancellation no recovery shall be had thereon.

SEC. 6.46. CONTRACTORS AND SUBCONTRACTORS TO FURNISH QUALIFICATIONS.

In the awarding of any contract for any public work or improvement mentioned in this Article, the awarding officer, board or commission shall require from all contractors and subcontractors offering or agreeing to perform any work on said public improvement, information concerning their experience, financial qualifications and ability to perform said contract or said subcontract, as well as to whether said contractor or subcontractor possesses, or can obtain in time to perform said contract or subcontract, the necessary equipment.

## SEC. 6.47. BID MAY BE REJECTED FOR LACK OF QUALIFICATIONS OR EQUIPMENT.

Should said awarding officer, board or commission determines that said contractor or any subcontractor does not possess the necessary experience and financial qualifications to perform said contract or subcontract, or that he does not possess or cannot obtain in due time the necessary equipment to perform said contract, said awarding officer, board or commission may reject the bid of any such contractor, and should said determination affect only a subcontractor, then said awarding officer, board or commission may compel said contractor to substitute a subcontractor who, in the opinion of said awarding officer, board or commission, possesses the necessary experience, financial qualifications, and equipment to perform the said subcontract.

## SEC. 6.48. PROVISION IN BID OR OFFER FOR DESIGNATION OF SUBCONTRACTORS.

Any officer, department, board or commission taking bids for the construction of any public work or improvement shall provide in the specifications prepared for the work or improvement or in the general conditions under which bids will be received for the doing of the work incident to the public work or improvement that any person making a bid or offer to perform the work, shall, in his bid or offer, set forth:

(a) The name and the location of the place of business of each subcontractor who will perform work or labor or render service to the general contractor in or about the construction of the work or improvement in an amount in excess of one-half ( $1/2$ ) of one per cent (1%) of the general contractor's total bid.

(b) A brief description of the work which will be done by each such subcontractor under this section.

(c) The amount to be paid to each subcontractor for his said work, labor or service.

## SEC. 6.49. FAILURE TO SPECIFY SUBCONTRACTOR: EFFECT.

If a general contractor fails to specify a subcontractor for any portion of the work to be performed under the contract in excess of one-half ( $1/2$ ) of one per cent (1%) of the general contractor's total bid, he agrees to perform that portion himself.

## SEC. 6.50. SUBSTITUTION, ASSIGNMENT OR SUBLETTING: CONSENT TO SUBSTITUTION.

No general contractor whose bid is accepted shall, without the consent of the awarding officer, board or commission either:

(a) Substitute any person as subcontractor in place of the subcontractor designated in the original bid.

(b) Permit any such subcontract to be assigned or transferred or allow it to be performed by anyone other than the original, subcontractor listed in the bid.

(c) Sublet or subcontract any portion of the work in excess of one-half ( $1/2$ ) of one per cent (1%) of the general contractor's total bid as to which his original bid did not designate a subcontractor.

(d) The awarding authority may consent to the substitution of another person as a subcontractor, when the subcontractor names in the bid after having had a reasonable opportunity to do so, fails or refuses to execute a written contract, when said written contract, based upon the general terms, conditions, plans and specifications for the project involved, or the terms of such subcontractor's written bid, is presented to him by the contractor.

CONTRACT PROCEDURE - Cont'd.

SEC. 6.51. SUBLETTING OR SUBCONTRACTING PORTION OF WORK.

Subletting or subcontracting of any portion of the work in excess of one-half (1/2) of one per cent (1%) of the general contractor's total bid as to which no subcontractor was designated in the original bid shall only be permitted in cases of public emergency or necessity, and then only after a written report to the Mayor, the Controller and the Chief Administrative Officer, Board or Commission concerned setting forth the facts constituting the emergency or necessity.

SEC. 6.52. VIOLATION OF CHAPTER; OPTION OF AWARDING OFFICER, BOARD OR COMMISSION: CANCELLATION OR PENALTY OR BOTH.

A general contractor violating any of the provisions of Sections 6.48, 6.49, 6.50 or 6.51 of this Article violates his contract and the awarding officer, board or commission shall have the right to (1) cancel the contract, or (2) assess the general contractor a penalty in an amount not more than ten per cent (10%) of the amount of the subcontract involved, and this penalty shall be deposited in the fund out of which the prime contract is awarded, or (3) both cancel the contract and assess the penalty.

SEC. 6.53. GOVERNMENT FUNDS USED-LAW, ETC. OF UNITED STATES TO PREVAIL.

In all contracts for the construction of any public work or improvement which involves the use of any funds furnished, given or loaned by the government of the United States, all laws, rules and regulations of the said government of the United States, or of any of its departments, relative to the doing of such work and the conditions under which the same is to be performed, shall prevail over the conditions set forth in this Article, when the same are in conflict.

PURCHASING PROCEDURE

## SEC. 21.1. DEFINITIONS.

As used in this chapter, the following words shall have the following respective meanings:

- (a) "Purchaser" shall mean the purchaser of supplies of the City and County of San Francisco.
- (b) "Quotation" shall mean a bid not requiring advertising.
- (c) "Proposal" shall mean a bid requiring advertising.

SEC. 21.2. PURCHASER TO MAKE PURCHASES UPON REQUISITION;  
EXCEPTION AS TO CERTAIN PURCHASES BY DEPARTMENT HEAD.

All departments shall file estimates of materials, supplies, equipment and contractual services at such time and in such manner as shall be determined upon by the purchaser. All purchases shall be made by the purchaser on requisition of the departments desiring the same, except that for materials, supplies, equipment and contractual services in common use by more than one department, or used in large quantities by a department, the purchaser may purchase for stock on the basis of the total of such requisitions or estimates previously filed when approved by the chief administrative officer.

Whenever, pursuant to the provisions of section 88 of the Charter, a department head recommends and the purchaser approves a purchase to be made directly by the department head, the purchase shall be made by the department head in the same manner and subject to the same conditions as is herein provided for purchases made by the purchaser, and also under such regulations as may prescribe the purchaser.

## SEC. 21.2-2. SOLICITATION OF PROPOSALS FOR INSURANCE AGAINST LOSS OF MONEY, SECURITIES AND VALUABLES AND FOR BLANKET BONDS FOR EMPLOYEES AND FOR OFFICERS.

Proposals for the furnishing of insurance against loss of money, securities and valuables by actual destruction, disappearance or wrongful abstraction, thereof, written pursuant to the provisions of sections 10.78-1 and 10.78-2 of this Code, and proposals for the furnishing of blanket bonds for employees and for officers, written pursuant to the provisions of Chapter 16 of this Code, shall be solicited at the same time by the purchaser of supplies and said insurance and said blanket bonds shall be placed with the same insurer, except when otherwise authorized by resolution of the board of supervisors.

## SEC. 21.3. STANDARDIZATION OF SUPPLIES, ETC., SPECIFICATIONS FOR MATERIALS, ETC., USED IN LARGE QUANTITIES.

The purchaser, in co-operation with the officials of the several departments, shall provide for the standardization of materials, supplies and equipment in accordance with the use to which the various articles are to be put, and shall provide for adequate specifications for materials, supplies and equipment used in large quantities or in common use by more than one department.

## SEC. 21.4. PURCHASE OF INSURANCE.

The purchaser shall base his award of an order for insurance to a broker, agent or company on at least three quotations. He shall keep a record of such quotations and a register of all awards made thereunder. In the event that it is not possible to obtain three quotations, he shall base his award on the quotation or quotations received. Said award may be made on the basis of price or service or both. Whenever it is customary to write insurance for one year only, new quotations shall be solicited at least every three years. Whenever it is customary to write insurance in excess of one year, new quotations shall be solicited at least on each expiration date. Whenever it is customary to write insurance that is continuous in form, new quotations shall be solicited at least every five years.

The purchaser may, with approval of the controller, add new or expiring insurance to existing coverages.

This section shall not apply to insurance commanding a premium of \$1,000 or less.

## SEC. 21.5. PURCHASES UPON QUOTATIONS OF THREE THOUSAND DOLLARS OR LESS.

When the purchase involved does not exceed three thousand dollars, the purchaser shall base his award of an order to a vendor on at least three quotations. He shall keep a record of such quotations and a register of all awards made thereunder. In the event that it is not possible to obtain three quotations, he shall base his award on the quotation or quotations received. If the purchaser believes that the public interest would best be served by accepting other than the lowest quotation, he shall have and is hereby given authority, subject to the approval of the chief administrative officer, to accept the quotation that in his opinion will best serve the public interest except as otherwise provided in this chapter.

The purchaser, with the approval of the chief administrative officer, may reject any and all quotations and request new quotations.

## SEC. 21.6. BIDDING REQUIRED FOR PURCHASES EXCEEDING THREE THOUSAND DOLLARS; FORM OF PROPOSALS; OPENING OF PROPOSALS.

In any case when the expenditure for the purchase of materials, supplies, equipment or contractual services shall, as estimated by the purchaser, exceed three thousand dollars, proposals shall be sealed and directed to the purchaser. All proposals shall be filed on forms prescribed or furnished by the purchaser, and any proposal not so filed shall be void. A statement on or attached to any proposal which takes exception to any contractual condition will void proposal on items to which such exception applies. Alterations or erasures of any price will void the proposal on that item. Proposals or alternate items will be considered only when permitted by conditions contained in proposal terms furnished by the purchaser.

All proposals received shall be opened by the purchaser, at the time and place stated in the advertisement for proposals, in the presence of all bidders who attend. Bidders may inspect the proposals after tabulation.



The purchaser shall award a contract to the lowest reliable and responsible bidder not less than ten days after completion of advertising for proposals as herein provided; provided, that if the purchaser believes that the public interest would be best served by accepting other than the lowest gross price or unit cost proposal, he shall have and he is hereby given authority to accept the proposal that in his opinion will best serve the public interest, to make the awards and to enter into the necessary contracts. He shall forthwith make a written report to the chief administrative officer, the mayor and the controller, with the reasons for not accepting the lowest proposal and for making such contract. Notice of all awards made pursuant to the provisions of this section shall be published.

#### SEC. 21.7. NOTICES AND ADVERTISEMENTS FOR PROPOSALS.

Notices inviting sealed proposals under the provisions of section 21.6 of this Code must be published for two consecutive days in the official newspaper and at least five calendar days must intervene between the date of last publication and the time for filing such sealed proposals. Such notices shall state in general terms the conditions of the proposed award, the amount of any deposit required under the provisions of section 21.15 of this Code, and if progressive payments are to be provided under any contract in accordance with section 96 of the Charter or if any contract is to be let on the basis of time of completion with liquidated damages for every day during which the contract is uncompleted beyond such specified date in accordance with section 97 of the Charter, such notice shall so state. Each advertisement for proposals shall contain reservation of the right to reject any and all proposals.

#### SEC. 21.8. REJECTION AND READVERTISING FOR PROPOSALS.

The purchaser, with the approval of the chief administration officer, may reject any and all proposals and readvertise for proposals.

#### SEC. 21.9. DEFINITE QUANTITY AWARD OF THREE THOUSAND DOLLARS OR LESS.

Whenever the award is for a definite quantity for a firm price, and is for an amount of three thousand dollars or less, the purchase may be authorized by the issuance of a purchase order.

#### SEC. 21.10. TERM AWARD CONTRACTS.

Whenever an award is made covering the furnishing of materials, supplies, equipment or contractual services for a determined or fixed period of time, the award shall be known as a term award contract. All term awards shall be covered by written contracts and entered into in accordance with the provisions of this Chapter.

#### SEC. 21.11. DESIGNATION OF PERSONS TO SIGN CONTRACTS.

The purchaser shall have the power to sign any contract when the estimated expenditure thereunder is not in excess of two thousand dollars. Any contract involving the expenditure of over two thousand dollars shall require the joint approval of the purchaser and the chief administrative officer.

#### SEC. 21.12. CONTRACTS TO BE IN TRIPLICATE; DISPOSITION OF CONTRACTS.

All contracts shall be executed in triplicate. The original shall be retained by the purchaser; one copy shall be filed with the controller and one copy shall be given to the contractor.

PURCHASING PROCEDURE - Cont'd.

## SEC. 13. PURCHASES WHEN NO BIDS ARE RECEIVED.

When proposals are advertised or quotations are requested for materials, supplies, equipment and contractual services and no proposal or quotation is received, or where all proposals or quotations received are for the same total amount or unit price, the purchaser may purchase the commodities or services called for from any source; provided, however, that the price paid shall not exceed the proposal or quotation price received.

## SEC. 21.13-1. PAYMENT OF HIGHEST GENERAL PREVAILING RATE OF WAGES MAY BE REQUIRED IN CONTRACTS FOR CONTRACTUAL SERVICES WHEREIN MOTOR BUS SERVICE IS TO BE RENDERED TO THE GENERAL PUBLIC.

In the case of any contract for contractual services wherein motor bus service is to be rendered to the general public on any facility owned by the City and County of San Francisco, the Purchaser, on recommendation of the department head concerned and approval of the chief administrative officer or the board or commission in charge of such department upon the ground that the public interest would be best served by requiring the inclusion of such a provision in the contract, may require that any person performing labor thereunder shall be paid not less than the highest general prevailing rate of wages in private employment for similar work in the area in which the contract is being performed, as determined by the Civil Service Commission; provided, however, if such a provision is to be included in the contract the notice inviting sealed proposals under Section 21.6 of this Code must call attention of bidders to the requirements of said provision.

## SEC. 21.14. PERFORMANCE BOND MAY BE REQUIRED UPON AWARD OF CONTRACT.

In case of any contract for the purchase of materials, supplies, equipment or contractual services, the purchaser may require a corporate surety bond conditioned for the faithful performance of the contract.

## SEC. 21.15. DEPOSIT OR BOND FOR PROPOSALS OR QUOTATIONS.

A proposal shall be and a quotation, may be accompanied by a deposit in the form of a certified or cashier's check, on a solvent bank or money order, payable on sight to the city and county in the amount fixed by the purchaser, which amount shall not exceed ten per cent of the estimated cost of the materials, supplies, equipment or contractual services to be furnished; provided, that any regular or continual bidder may, in lieu of the deposit above-mentioned, file a corporate surety bond in an amount to be fixed by the chief administrative officer and the controller to serve as surety for a period of at least one year that the bidder will, during the period, furnish any required performance bond for any and all contracts awarded to him on the basis of proposals or quotations filed by him, with provisions for forfeiture under the surety bond in any case of failure, neglect or refusal to do so. The amount of the deposit shall be stated in the advertisement for proposals.

## SEC. 21.16. APPROVAL OF SURETIES.

The Controller shall approve the sufficiency and qualifications of all sureties as required under the provisions of section 21.14 and 21.15 of this Code.

PURCHASING PROCEDURE - Cont'd.

## SEC. 21.17. PROCEDURE UPON FAILURE TO FILE REQUIRED BOND.

If any bidder to whom the contract is awarded under the provisions of this chapter shall fail to file any required performance bond within ten days after receiving, notice to file such bond, the purchaser shall deposit the deposit required to be filed under the provisions of section 21.15 of this Code in the treasury for collection, and the amount thereof shall be retained by the city and county as liquidated damages for failure of the bidder to file such bond. Neither the deposit nor the proceeds thereof shall be returned to such defaulting bidder and if the bidder's obligation to furnish any required bond is evidenced by a continuing bond, as provided for in section 21.15 of this Code, the purchaser shall determine the amount of forfeiture thereunder, which shall be not less than the amount of the deposit specified in the quotation or proposal; provided however, that upon the recommendation of the purchaser, together with the approval of the chief administrative officer, the board of supervisors, by resolution, may approve the return of the amount of such deposit or excuse a forfeiture under such continuing bond. Demand upon a bidder to file a performance bond, as hereinbefore set forth, may, at the option of the purchaser, be made by mail, by depositing such notice or demand in the United States, mail, in a sealed envelope, with postage prepaid, addressed to the bidder or whom it is to be served, at his mailing address as set forth by him in his bid. The service is complete at the time of the deposit, and the ten-day period shall commence on the first day following such deposit in the mail.

The purchaser, with the approval of the chief administrative officer, shall have, and he is hereby given authority to extend the period for the deposit of any required bond, whenever in the purchaser's judgment, circumstances warrant an extension.

In all cases of forfeiture hereunder, the amount of the forfeiture after collection by the city and county shall be entered as a credit to the general fund.

## SEC. 21.18. OTHER PURCHASES.

Notwithstanding any other provision of this Code procurement of the following shall be made in accordance with written rules and regulations established by the purchaser and approved by the chief administrative officer and controller:

- (a) Materials, supplies, equipment and contractual services where the total amount of the purchase does not exceed one hundred dollars.
- (b) Fresh fruits and vegetables, meats and meat products and perishable foods.
- (c) Articles or services for which there is only one known source of supply.
- (d) Patented or proprietary articles.
- (e) Professional or special services.

## SEC. 21.19. CITY'S INDEMNITY FOR INFRINGEMENT OF PATENTS, COPYRIGHTS OR TRADEMARKS.

Each contractor must save, keep, bear harmless and fully indemnify the city and county and any of its officers or agents from all damages, or claims for damages, costs or expenses in law or equity that may at any time arise or be set up for any infringement of the patent rights, copyright or trademark of any person in consequence of the use by the city and county, or any of its officers or agents, of articles to be supplied under such contract and of which the contractor is not the patentee or assignee or has not the lawful right to sell the same.

PURCHASING PROCEDURE - Cont'd.SEC. 21.20. PROCEDURE UPON FAILURE TO DELIVER  
ARTICLE CONTRACTED FOR.

When a contractor fails to deliver an article of the quality, in the quantity, or in the manner he has contracted to furnish within the time specified in his bid, such article may be bought from any source by the purchaser and if a greater price than that named in the contract be paid for such article, the excess price will be charged to and collected from the contractor or the sureties on his bond. All items supplied shall be subject to inspection or rejection by the purchaser.

## SEC. 21.21. ARTICLES NOT TO BE PRISON MADE.

No article furnished under any contract made under the provisions of this chapter shall have been made in a prison or by convict labor.

## SEC. 21.22. ASSIGNMENT OF CONTRACTS.

No contract shall be assigned, except upon the approval of the purchaser, the chief administrative officer and the city attorney. The purchaser shall forthwith notify, in writing, the controller and department affected of such assignments.

## SEC. 21.23. CONTRACT FOR FINANCIAL INFORMATION SERVICE.

The purchaser may contract for a financial information service to assist him in determining the responsibility of the bidders, out of such funds as may be appropriated or set aside for the purpose, and may require information from a bidder concerning his experience and financial qualifications.

## SEC. 21.24. DECLARATION OF CONTRACTOR AS IRRESPONSIBLE.

Any contractor who fails to live up to the terms of his contract may, by the joint action of the purchaser and the controller, be declared an irresponsible contractor, and shall not for a period of one year be awarded any further contract, unless on the joint action of the purchaser and the controller such disqualification is removed.

## SEC. 21.25. EMERGENCY PROCUREMENT OF SUPPLIES, ETC.-GENERALLY.

The board of supervisors hereby declares that an actual emergency shall exist when it becomes necessary to immediately procure materials, supplies, equipment or contractual services to make repairs, to safeguard the lives or property of the citizens or the property of the city and county or to maintain public health or welfare, as a result of extraordinary conditions created by war, epidemic, weather, fire, flood or other catastrophe, or the breakdown of any plant, equipment, structure, street or public work. Such procurement may be executed by the purchaser, with the approval of the chief administrative officer, in the most expeditious manner, and shall be confirmed forthwith by issuance of a regular purchase order. The purchaser shall immediately notify the controller of the estimated cost.

The board of supervisors hereby declares that an actual emergency shall exist during a period of material shortages created by war conditions, when goods meeting the exact specifications as ordered are not procurable. When such goods are immediately required, the purchaser, with the approval of the chief administrative officer, shall have authority to accept satisfactory substitutes and to make proper price adjustments therefor; provided, that if such price adjustment should increase the contractual obligation by more than 10 per cent, the purchaser shall first obtain approval by the controller, who shall reserve the additional amount of money required to meet the increased obligation.

PURCHASING PROCEDURE - Cont'd.

## SEC. 21.26. RULES AND REGULATIONS.

The purchaser shall establish rules and regulations for the purpose of sections 21.1 to 21.27 of this Code.

## SEC. 21.27. PREFERENTIAL PURCHASES FROM LOCAL MANUFACTURERS.

Whenever any preferential in favor of local manufacturers or industry is provided by state law, ordinance or resolution, the same shall apply to contracts under sections 21.1 to 21.26 of this Code.

## SEC. 21.28. ESTABLISHMENT OF PURCHASER'S REVOLVING FUND.

There is hereby created and established in the treasury of the city and county a revolving fund to be known as the purchaser's revolving fund. The fund shall consist of such specific appropriations as the board of supervisors have heretofore made or may make or set aside from time to time for the use of the fund, and all other amounts as amended that may be made available for such fund as provided by law.

The purchaser, with the approval of the chief administrative officer and the controller, may maintain such amounts in cash and in banks and advance such amounts to departments not having revolving funds as may be necessary to facilitate petty purchases transactions and for the payment of small purchases and for which warrants may not be conveniently drawn on the treasurer.

SEC. 21.29. MAINTENANCE OF EQUIPMENT INVENTORIES  
ON PERPETUAL BASIS - REQUIRED.

Equipment inventories as prescribed in section 88 of the Charter shall be maintained currently by the purchaser on a "perpetual inventory" basis.

## SEC. 21.30. SAME VALUATIONS.

Valuation under the provisions of the preceding section shall be on the basis of cost, whether purchased from outside vendors or manufactured by the city. Gifts shall be valued at fair market value at the date of acquisition as established by the purchaser.

## SEC. 21.31. SAME - DEPARTMENT HEAD'S RECEIPT.

Each department head shall receipt to the purchaser for all equipment in the custody of his department.

SEC. 21.32. SAME - REPORTS OF LOSSES AND DAMAGES; ADJUSTMENT  
OF INVENTORIES AS TO DAMAGES OR LOSSES.

Each department head shall give immediately written notice to the purchaser concerning the loss of or damage to such equipment referred to in section 21.29 of this Code. The purchaser shall investigate each such written notice, and report monthly thereon to the board of supervisors the notices he receives from department heads and his findings with respect to each. The inventories shall not be adjusted as to damages or losses by either the purchaser or the controller, until they are ordered so to do by resolution of the board of supervisors, provided however, that upon the recommendation of the purchaser and the approval of the chief administrative officer and controller inventories may be adjusted where the book value as determined by the purchaser of such adjustment does not exceed fifty dollars (\$50.00).

## SEC. 21.33. SAME - RULES.

The purchaser may prescribe and issue such rules as he may deem expedient and desirable for the carrying out of the provisions of section 88 of the Charter and of sections 21.29 to 21.32 of this Code with respect to such inventories.

